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CONFERENCE OF THE PARTIES

REPORT OF THE CONFERENCE OF THE PARTIES ON ITS SEVENTH SESSION, HELD AT MARRAKESH FROM 29 OCTOBER TO 10 NOVEMBER 2001

Addendum

PART TWO: ACTION TAKEN BY THE CONFERENCE OF THE PARTIES

Volume III

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Decision 20/CP.7

Guidelines for national systems under Article 5, paragraph 1, of the Kyoto Protocol

The Conference of the Parties,

Recalling its decisions 1/CP.3, 1/CP.4, 8/CP.4, and 5/CP.6 containing the Bonn Agreements on the implementation of the Buenos Aires Plan of Action,

Noting Article 5, paragraph 1, of the Kyoto Protocol to the United Nations Framework Convention on Climate Change,

Having considered the conclusions of the Subsidiary Body for Scientific and Technological Advice at its twelfth and resumed thirteenth sessions,[1]

1. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session, adopt draft decision -/CMP.1 *(Article 5.1)* below;

2. *Encourages* Parties included in Annex I to implement the recommended guidelines for national systems under Article 5, paragraph 1, of the Kyoto Protocol as soon as possible with the aim of gaining experience with their implementation;

3. *Urges* Parties included in Annex II to the Convention to assist Parties included in Annex I with economies in transition, through appropriate bilateral or multilateral channels, with the implementation of the guidelines for national systems under Article 5, paragraph 1, of the Kyoto Protocol.

8th plenary meeting
10 November 2001

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[1] FCCC/SBSTA/2000/5 and FCCC/SBSTA/2000/14.

Draft decision -/CMP.1 *(Article 5.1)*

Guidelines for national systems under Article 5, paragraph 1, of the Kyoto Protocol

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Recalling Article 5, paragraph 1, of the Kyoto Protocol to the United Nations Framework Convention on Climate Change, in particular its provision that each Party included in Annex I shall have in place, no later than one year prior to the start of the first commitment period, a national system for the estimation of anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol,

Recognizing the importance of such national systems for the implementation of other provisions of the Kyoto Protocol,

Having considered decision 20/CP.7, adopted by the Conference of the Parties at its seventh session,

1. *Adopts* the guidelines for national systems under Article 5, paragraph 1, of the Kyoto Protocol as contained in the annex to the present decision;

1. *Urges* Parties included in Annex I to implement the guidelines as soon as possible.

ANNEX

Guidelines for national systems for the estimation of anthropogenic greenhouse gas emissions by sources and removals by sinks under Article 5, paragraph 1, of the Kyoto Protocol[1]

I. APPLICABILITY

1. The provisions of these guidelines shall apply for each Party included in Annex I which is also a Party to the Kyoto Protocol. Parties' implementation of national system requirements may differ according to national circumstances, but shall include the elements described in these guidelines. Any differences in implementation shall not impair the performance of the functions described in these guidelines.

II. DEFINITIONS

A. Definition of national system

2. A national system includes all institutional, legal and procedural arrangements made within a Party included in Annex I for estimating anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol, and for reporting and archiving inventory information.

B. Other definitions

3. The meaning of the following terms in these guidelines for national systems[2] is the same as in the glossary of the Intergovernmental Panel on Climate Change (IPCC) good practice guidance,[3] accepted by the IPCC at its sixteenth session:[4]

(a) Good practice is a set of procedures intended to ensure that greenhouse gas inventories are accurate in the sense that they are systematically neither over- nor underestimated as far as can be judged, and that uncertainties are reduced as far as possible. Good practice covers choice of estimation methods appropriate to national circumstances, quality assurance and quality control at the national level, quantification of uncertainties, and data archiving and reporting to promote transparency;

(b) Quality control (QC) is a system of routine technical activities to measure and control the quality of the inventory as it is being developed. The QC system is designed to:

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[1] "Article" in these guidelines refers to an Article of the Kyoto Protocol, unless otherwise specified.

[2] The guidelines for national systems for the estimation of anthropogenic greenhouse gas emissions by sources and removals by sinks under Article 5, paragraph 1, of the Kyoto Protocol are referred to herein as "guidelines for national systems".

[3] The IPCC "*Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories*" is referred to as the "IPCC good practice guidance" in these guidelines for national systems.

[4] Montreal, 1-8 May 2000.

(i) Provide routine and consistent checks to ensure data integrity, correctness and completeness;

(ii) Identify and address errors and omissions;

(iii) Document and archive inventory material and record all QC activities.

Quality control activities include general methods such as accuracy checks on data acquisition and calculations and the use of approved standardized procedures for emission calculations, measurements, estimating uncertainties, archiving information and reporting. Higher tier QC activities also include technical reviews of source categories, activity and emission factor data and methods;

(c) Quality assurance (QA) activities include a planned system of review procedures conducted by personnel not directly involved in the inventory compilation development process, to verify that data quality objectives were met, ensure that the inventory represents the best possible estimate of emissions and sinks given the current state of scientific knowledge and data available, and support the effectiveness of the QC programme;

(d) Key source category is one that is prioritized within the national inventory because its estimate has a significant influence on a country's total inventory of direct greenhouse gases in terms of the absolute level of emissions, the trend in emissions, or both;

(e) Decision tree is a flow-chart describing the specific ordered steps which need to be followed to develop an inventory or an inventory component in accordance with the principles of good practice.

4. Recalculation, consistent with the UNFCCC reporting guidelines on annual inventories,[5] is a procedure for re-estimating anthropogenic greenhouse gas (GHG)[6] emissions by sources and removals by sinks of previously submitted inventories[7] as a consequence of changes in methodologies, changes in the manner in which emission factors and activity data are obtained and used, or the inclusion of new source and sink categories.

III. OBJECTIVES

5. The objectives of national systems under Article 5, paragraph 1, for the estimation of anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol, referred to below as national systems, are:

(a) To enable Parties included in Annex I to estimate anthropogenic GHG emissions by sources and removals by sinks, as required by Article 5, and to report these emissions by

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[5] FCCC/CP/1999/7.

[6] References to greenhouse gases (GHG) in these guidelines for national systems refer to GHGs not controlled by the Montreal Protocol.

[7] "National GHG inventories" are referred to simply as "inventories" in these guidelines for the sake of brevity.

sources and removals by sinks in accordance with Article 7, paragraph 1, and relevant decisions of the Conference of the Parties (COP) and/or the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP);

(b) To assist Parties included in Annex I in meeting their commitments under Articles 3 and 7;

(c) To facilitate the review of the information submitted under Article 7 by Parties included in Annex I, as required by Article 8;

(d) To assist Parties included in Annex I to ensure and improve the quality of their inventories.

IV. CHARACTERISTICS

6. National systems should be designed and operated to ensure the transparency, consistency, comparability, completeness and accuracy of inventories as defined in the guidelines for the preparation of inventories by Parties included in Annex I, in accordance with relevant decisions of the COP and/or COP/MOP.

7. National systems should be designed and operated to ensure the quality of the inventory through planning, preparation and management of inventory activities. Inventory activities include collecting activity data, selecting methods and emission factors appropriately, estimating anthropogenic GHG emissions by sources and removals by sinks, implementing uncertainty assessment and quality assurance/quality control (QA/QC) activities, and carrying out procedures for the verification of the inventory data at the national level, as described in these guidelines for national systems.

8. National systems should be designed and operated to support compliance with Kyoto Protocol commitments related to the estimation of anthropogenic GHG emissions by sources and removals by sinks.

9. National systems should be designed and operated to enable Parties included in Annex I to consistently estimate anthropogenic emissions by all sources and removals by all sinks of all GHGs, as covered by the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories* and IPCC good practice guidance, in accordance with relevant decisions of the COP and/or COP/MOP.

V. GENERAL FUNCTIONS

10. In the implementation of its national system, each Party included in Annex I shall:

(a) Establish and maintain the institutional, legal and procedural arrangements necessary to perform the functions defined in these guidelines for national systems, as appropriate, between the government agencies and other entities responsible for the performance of all functions defined in these guidelines;

(b) Ensure sufficient capacity for timely performance of the functions defined in these guidelines for national systems, including data collection for estimating anthropogenic GHG

emissions by sources and removals by sinks and arrangements for technical competence of the staff involved in the inventory development process;

(c) Designate a single national entity with overall responsibility for the national inventory;

(d) Prepare national annual inventories and supplementary information in a timely manner in accordance with Article 5 and Article 7, paragraphs 1 and 2, and relevant decisions of the COP and/or COP/MOP;

(e) Provide information necessary to meet the reporting requirements defined in the guidelines under Article 7 in accordance with the relevant decisions of the COP and/or COP/MOP.

VI. SPECIFIC FUNCTIONS

11. In order to meet the objectives and perform the general functions described above, each Party included in Annex I shall undertake specific functions related to inventory planning, preparation and management.[8]

A. Inventory planning

12. As part of its inventory planning, each Party included in Annex I shall:

(a) Designate a single national entity with overall responsibility for the national inventory;

(b) Make available the postal and electronic addresses of the national entity responsible for the inventory;

(c) Define and allocate specific responsibilities in the inventory development process, including those related to choice of methods, data collection, particularly activity data and emission factors from statistical services and other entities, processing and archiving, and QC and QA. This definition shall specify the roles of, and cooperation between, government agencies and other entities involved in the preparation of the inventory, as well as the institutional, legal and procedural arrangements made to prepare the inventory;

(d) Elaborate an inventory QA/QC plan which describes specific QC procedures to be implemented during the inventory development process, facilitate the overall QA procedures to be conducted, to the extent possible, on the entire inventory and establish quality objectives;

(e) Establish processes for the official consideration and approval of the inventory, including any recalculations, prior to its submission and to respond to any issues raised by the inventory review process under Article 8.

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[8] For the purpose of these guidelines for national systems, the inventory development process encompasses inventory planning, preparation and management. These steps of the inventory development process are considered in these guidelines only in order to clearly identify the functions to be performed by the national systems, as described in paragraphs 12 to 17 of the present guidelines.

13. As part of its inventory planning, each Party included in Annex I should consider ways to improve the quality of activity data, emission factors, methods and other relevant technical elements of inventories. Information obtained from the implementation of the QA/QC programme, the review process under Article 8 and other reviews should be considered in the development and/or revision of the QA/QC plan and the quality objectives.

B. Inventory preparation

14. As part of its inventory preparation, each Party included in Annex I shall:

(a) Identify key source categories following the methods described in the IPCC good practice guidance (chapter 7, section 7.2);

(b) Prepare estimates in accordance with the methods described in the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories*, as elaborated by the IPCC good practice guidance, and ensure that appropriate methods are used to estimate emissions from key source categories;

(c) Collect sufficient activity data, process information, and emission factors as are necessary to support the methods selected for estimating anthropogenic GHG emissions by sources and removals by sinks;

(d) Make a quantitative estimate of inventory uncertainty for each source category and for the inventory in total, following the IPCC good practice guidance;

(e) Ensure that any recalculations of previously submitted estimates of anthropogenic GHG emissions by sources and removals by sinks are prepared in accordance with the IPCC good practice guidance and relevant decisions of the COP and/or COP/MOP;

(f) Compile the national inventory in accordance with Article 7, paragraph 1, and relevant decisions of the COP and/or COP/MOP;

(g) Implement general inventory QC procedures (tier 1) in accordance with its QA/QC plan following the IPCC good practice guidance.

15. As part of its inventory preparation, each Party included in Annex I should:

(a) Apply source category specific QC procedures (tier 2) for key source categories and for those individual source categories in which significant methodological and/or data revisions have occurred, in accordance with the IPCC good practice guidance;

(b) Provide for a basic review of the inventory by personnel that have not been involved in the inventory development, preferably an independent third party, before the submission of the inventory, in accordance with the planned QA procedures referred to in paragraph 12 (d) above;

(c) Provide for a more extensive review of the inventory for key source categories, as well as source categories where significant changes in methods or data have been made;

(d) Based on the reviews described in paragraphs 15 (b) and 15 (c) above and periodic internal evaluations of the inventory preparation process, re-evaluate the inventory planning process in order to meet the established quality objectives referred to in paragraph 12 (d).

C. Inventory management

16. As part of its inventory management, each Party included in Annex I shall:

(a) Archive inventory information for each year in accordance with relevant decisions of the COP and/or COP/MOP. This information shall include all disaggregated emission factors, activity data, and documentation about how these factors and data have been generated and aggregated for the preparation of the inventory. This information shall also include internal documentation on QA/QC procedures, external and internal reviews, documentation on annual key sources and key source identification and planned inventory improvements;

(b) Provide review teams under Article 8 with access to all archived information used by the Party to prepare the inventory, in accordance with relevant decisions of the COP and/or COP/MOP;

(c) Respond to requests for clarifying inventory information resulting from the different stages of the review process of the inventory information, and information on the national system, in a timely manner in accordance with Article 8.

17. As part of its inventory management, each Party included in Annex I should make the archived information accessible by collecting and gathering it at a single location.

VII. UPDATING OF THE GUIDELINES

18. These guidelines shall be reviewed and revised, as appropriate, by consensus, in accordance with decisions of the COP/MOP, taking into account any relevant decisions of the COP.

Decision 21/CP.7

Good practice guidance and adjustments under Article 5, paragraph 2, of the Kyoto Protocol

The Conference of the Parties,

Noting Article 5, paragraph 2, of the Kyoto Protocol to the United Nations Framework Convention on Climate Change,

Recalling its decisions 1/CP.3, 2/CP.3, 1/CP.4, 8/CP.4, and 5/CP.6 containing the Bonn Agreements on the Buenos Aires Plan of Action,

Recognizing the essential role of high quality greenhouse gas inventories under the Convention and the Kyoto Protocol,

Recognizing the need for confidence in estimates of anthropogenic emissions and anthropogenic removals[1] for the purpose of ascertaining compliance with commitments under Article 3 of the Kyoto Protocol,

Acknowledging the importance of ensuring that anthropogenic emissions are not underestimated and that anthropogenic removals by sinks and anthropogenic base year emissions are not overestimated,

Having considered the relevant conclusions and recommendations of the Subsidiary Body for Scientific and Technological Advice (SBSTA),[2]

1. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session, adopt draft decision –/CMP.1 *(Article 5.2)* below;

2. *Requests* the secretariat to organize a workshop prior to, and one or possibly more workshops after, the sixteenth session of the SBSTA on methodologies for adjustments under Article 5, paragraph 2, of the Kyoto Protocol with the participation of greenhouse gas inventory experts and other experts nominated to the UNFCCC roster of experts and experts involved in the preparation of the Intergovernmental Panel on Climate Change report entitled *"Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories"*. The purpose of the first workshop would be to elaborate draft technical guidance on methodologies for adjustments under Article 5, paragraph 2, building upon submissions by Parties contained in documents FCCC/SBSTA/2000/MISC.1 and Add.1, FCCC/SBSTA/2000/MISC.7 and Add.1-2, as well as FCCC/TP/2000/1, for consideration by the

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[1] In this decision, estimates of anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol are referred to as anthropogenic emissions and anthropogenic removals respectively, for the sake of brevity.

[2] FCCC/SBSTA/1999/14, paragraph 51 (i); FCCC/SBSTA/2000/5, paragraph 40 (b).

SBSTA at its sixteenth session. At that session, the SBSTA should define more precisely the scope of the second workshop;[3]

3. *Requests* the SBSTA to complete technical guidance on methodologies for adjustments under Article 5, paragraph 2, of the Kyoto Protocol, building upon the attached draft decision and the outcome of the process described in paragraph 2 above, for consideration by the Conference of the Parties at its ninth session, with a view to recommending, at that session, such technical guidance for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session;

4. *Decides* to develop technical guidance on methodologies for adjustments under Article 5, paragraph 2, of the Kyoto Protocol for estimates of anthropogenic emissions and removals from land use, land-use change and forestry, in the light of decision 11/CP.7, immediately after completion of the work of the Intergovernmental Panel on Climate Change on good practice guidance on land use, land-use change and forestry, with a view to recommending a decision on adjustments, at its tenth session, for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its subsequent session.

8th plenary meeting
10 November 2001

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[3] The organization of the workshops is subject to availability of funds.

Draft decision -/CMP.1 *(Article 5.2)*

Good practice guidance and adjustments under Article 5, paragraph 2, of the Kyoto Protocol

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Recalling Article 5, paragraph 2, of the Kyoto Protocol to the United Nations Framework Convention on Climate Change,

Further recalling decisions 1/CP.3, 2/CP.3, 1/CP.4, 8/CP.4 and 5/CP.6 of the Conference of the Parties,

Having considered decision 21/CP.7 adopted by the Conference of the Parties at its seventh session,

1. *Endorses* the Intergovernmental Panel on Climate Change (IPCC) report entitled *Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories*, as accepted by the sixteenth session of the IPCC held in Montreal, Canada, 1 to 8 May 2000 (hereinafter referred to as the IPCC good practice guidance), as an elaboration of the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories*;

2. *Decides* that the IPCC good practice guidance referred to in paragraph 1 shall be used by Parties included in Annex I in their preparation of national greenhouse gas inventories under the Kyoto Protocol;

3. *Decides* that adjustments referred to in Article 5, paragraph 2, of the Kyoto Protocol shall be applied only when inventory data submitted by Parties included in Annex I are found to be incomplete and/or are prepared in a way that is not consistent with the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories* as elaborated by the IPCC good practice guidance and any good practice guidance adopted by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;

4. *Decides* that the calculation of adjustments shall commence only after a Party included in Annex I has been provided with opportunities to correct any deficiencies in accordance with the time frame and procedures set forth in the guidelines for inventory review under Article 8;

5. *Decides* that the adjustment procedure shall result in estimates that are conservative for the Party concerned so as to ensure that anthropogenic emissions are not underestimated and anthropogenic removals by sinks and anthropogenic base year emissions are not overestimated;

6. *Emphasizes* that adjustments are intended to provide an incentive for Parties included in Annex I to provide complete and accurate annual greenhouse gas inventories prepared in accordance with the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories* as elaborated by the IPCC good practice guidance and any good practice guidance adopted by the Conference of the Parties serving as the meeting of the Parties to the

Kyoto Protocol. Adjustments are intended to correct inventory problems for the purpose of accounting emissions inventories and assigned amounts of the Parties included in Annex I. Adjustments are not intended to substitute for the obligation of a Party included in Annex I to estimate and report greenhouse gas inventories in accordance with the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories* as elaborated by the IPCC good practice guidance and any good practice guidance adopted by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;

7. *Decides* that adjusted estimates shall be calculated in accordance with the technical guidance on methodologies for adjustments contained in the annex to this decision. Such technical guidance shall ensure consistency and comparability and that similar methods are used for similar problems as far as possible across all inventories reviewed under Article 8;

8. *Decides* that any adjustments applied to the base year inventory estimates of a Party included in Annex I shall be used in the calculation of the Party's assigned amount pursuant to Article 3, paragraphs 7 and 8, in accordance with the modalities for the accounting of assigned amount under Article 7, paragraph 4, and shall not be replaced by a revised estimate subsequent to the establishment of the Party's assigned amount pursuant to Article 3, paragraphs 7 and 8;

9. *Decides* that any adjustments applied to the inventory for a year of the commitment period of the Party included in Annex I shall be used in the annual compilation and accounting of emission inventories and assigned amounts;

10. *Decides* that in the event of a disagreement between the Party included in Annex I and the expert review team regarding the adjustment, the issue will be forwarded to the Compliance Committee;

11. *Decides* that a Party included in Annex I may submit a revised estimate for a part of its inventory of a year of the commitment period to which an adjustment was previously applied, provided that the revised estimate is submitted, at the latest, in conjunction with the inventory for the year 2012. Subject to a review under Article 8 and the acceptance of the revised estimate by the expert review team, the revised estimate shall replace the adjusted estimate. In the event of a disagreement between the Party included in Annex I and the expert review team regarding the revised estimate, the issue will be forwarded to the Compliance Committee, which will resolve the disagreement in accordance with the procedures and mechanisms on compliance. The option for a Party included in Annex I to submit a revised estimate for a part of its inventory to which an adjustment was previously applied should not prevent Parties included in Annex I from making best efforts to correct the problem at the time it was initially identified and in accordance with the time frame set forth in the guidelines for review under Article 8.

ANNEX

[to be elaborated in accordance with decision 21/CP.7, paragraph 3]

Decision 22/CP.7

Guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol

The Conference of the Parties,

Recalling its decisions 1/CP.3, 1/CP.4, 8/CP.4, 3/CP.5, 4/CP.5, and 5/CP.6 containing the Bonn Agreements on the implementation of the Buenos Aires Plan of Action,

Noting the relevant provisions of the Kyoto Protocol to the United Nations Framework Convention on Climate Change, in particular its Article 7,

Recognizing the role of information submitted under the Kyoto Protocol pursuant to Article 7, in demonstrating the progress by 2005 of Parties included in Annex I towards meeting their commitments under the Protocol in accordance with their national circumstances,

1. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session, adopt draft decision -/CMP.1 *(Article 7)* below;

2. *Requests* the Subsidiary Body for Scientific and Technological Advice (SBSTA) to develop criteria for cases of failure to submit information related to estimates of greenhouse gas emissions by sources and removal by sinks from activities under Article 3, paragraphs 3 and 4, including, *inter alia*, the reporting of those emissions and removals, similar to those described in paragraph 3 of the attached draft decision, after the work on good practice for land use, land-use change and forestry, with a view to recommending a decision on this matter as soon as practicable thereafter, for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its subsequent session;

3. *Requests* the SBSTA, at its sixteenth session, to elaborate further the sections on information on assigned amounts and information on national registries contained in the appendix to the present decision. In so doing, the SBSTA should take into account the decision of the Conference of the Parties on modalities for the accounting of assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol (decision 19/CP.7). The SBSTA should elaborate those sections with a view to recommending to the Conference of the Parties, at its eighth session, a decision incorporating those sections into the guidelines for the preparation of the information required under Article 7 (decision 22/CP.7) for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session after the entry into force of the Kyoto Protocol.

4. *Urges* each Party included in Annex I that is also a Party to the Kyoto Protocol to submit, by 1 January 2006, a report to provide the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol with the basis for reviewing the demonstration of progress by 2005, in accordance with Article 3, paragraph 2, of the Kyoto Protocol. The report shall include:

(a) A description of domestic measures, including any legal and institutional steps to prepare to implement its commitments under the Kyoto Protocol to mitigate greenhouse gas emissions, and any of its programmes for domestic compliance and enforcement;

(b) Trends in, and projections of, its greenhouse gas emissions;

(c) An evaluation of how such domestic measures, in light of these trends and projections, will contribute to the Party's meeting its commitments under Article 3;

(d) A description of the activities, actions and programmes undertaken by the Party in fulfilment of its commitments under Articles 10 and 11;

5. *Requests* the SBSTA, at its sixteenth session, to consider how this information should be presented and evaluated taking into account document FCCC/CP/2001/MISC.2 and other relevant submissions by Parties with a view to recommending a decision on this matter for adoption by the Conference of the Parties at its eighth session.

8th plenary meeting
10 November 2001

Appendix

I. REPORTING OF SUPPLEMENTARY INFORMATION UNDER ARTICLE 7, PARAGRAPH 1

Information on emission reduction units, certified emission reductions, assigned amount units and removal units

1. Each Party included in Annex I with a commitment inscribed in Annex B to the Kyoto Protocol shall report, in a standard electronic format, the following information on emission reduction units (ERUs), certified emission reductions (CERs), assigned amount units (AAUs) and removal units (RMUs)[1] from its national registry, for the previous calendar year (defined according to Greenwich Mean Time) distinguishing between units valid for different commitment periods:

(a) The total quantity of ERUs, CERs, AAUs and RMUs in each account at the beginning of the year;

(b) The total quantity of AAUs issued on the basis of assigned amount pursuant to Article 3, paragraphs 7 and 8;

(c) The total quantity of ERUs, CERs, AAUs and RMUs acquired from other registries and the identity of the transferring accounts and national registries;

(d) The total quantity of RMUs issued on the basis of activities under Article 3, paragraphs 3 and 4;

(e) The total quantity of ERUs, CERs, AAUs and RMUs transferred to other registries and the identity of the acquiring accounts and national registries;

(f) The total quantity of ERUs, CERs, AAUs and RMUs cancelled on the basis of activities under Article 3, paragraphs 3 and 4;

(g) The total quantity of ERUs, CERs, AAUs and RMUs cancelled following determination by the Compliance Committee that the Party is not in compliance with its commitment under Article 3, paragraph 1;

(h) The total quantity of other ERUs, CERs, AAUs and RMUs cancelled;

(i) The total quantity of ERUs, CERs, AAUs and RMUs retired;

(j) The total quantity of ERUs, CERs and AAUs carried over from the previous commitment period;

(k) The total quantity of ERUs, CERs, AAUs and RMUs in each account at the end of the year.

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[1] As defined in paragraphs 1 – 4 of the annex to decision -/CMP *(Modalities for the accounting of assigned amounts.*

2. Each Party included in Annex I shall report a calculation of its commitment period reserve calculated in accordance with decision 18/CP.7.

II. REPORTING OF SUPPLEMENTARY INFORMATION UNDER ARTICLE 7, PARAGRAPH 2

National registries

3. Each Party included in Annex I with a commitment inscribed in Annex B to the Kyoto Protocol shall provide a description of its national registry. The description shall include the following information:

(a) The name and contact information of the registry administrator designated by the Party to maintain the national registry;

(b) Any other Party with which the Party cooperates by maintaining their respective national registries in a consolidated system;

(c) A description of the database structure used in the national registry;

(d) A description of how the national registry conforms to the technical standards for the purpose of ensuring the accurate, transparent and efficient exchange of data between national registries, the clean development registry and the independent transaction log, including;

(i) A description of the formats used in the national registry for account numbers, serial numbers for ERUs, CERs, AAUs and RMUs, including project identifiers and transaction numbers;

(ii) A list, and the electronic format, of the information transmitted electronically when transferring ERUs, CERs, AAUs and/or RMUs to other registries;

(iii) A list, and the electronic format, of the information transmitted electronically when acquiring ERUs, CERs, AAUs and/or RMUs from other national registries or the CDM registry;

(iv) A list, and the electronic format, of the information transmitted electronically from the national registry to the independent transaction log when issuing, transferring, acquiring, cancelling and retiring ERUs, CERs, AAUs and/or RMUs;

(v) An explanation of the procedures employed in the national registry to prevent discrepancies in the issuance, transfer, acquisition, cancellation and retirement of ERUs, CERs, AAUs and/or RMUs;

(vi) An overview of security measures employed in the national registry to deter unauthorized manipulations and minimize operator error;

(e) A list of the information publicly accessible through the user interface to the national registry;

(f) An explanation of how to access information through the user interface to the national registry.

Draft decision -/CMP.1 *(Article 7)*

Guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Recalling Article 7 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change,

Recalling that Parties have affirmed that the principles in decision -/CMP.1 *(Land use, land-use change and forestry)* govern the treatment of land use, land-use change and forestry activities in the annex to that decision,

Having considered decision 22/CP.7, adopted by the Conference of the Parties at its seventh session,

Recognizing the importance of transparent reporting for facilitating the review process under Article 8 of the Kyoto Protocol,

1. *Adopts* the guidelines for the preparation of information under Article 7 of the Kyoto Protocol as contained in the annex to the present decision;

2. *Decides* that each Party included in Annex I, bearing in mind Article 7, paragraph 3, of the Kyoto Protocol and the needs of the review under Article 8 of the Kyoto Protocol, shall start reporting the information under Article 7, paragraph 1, of the Kyoto Protocol with the inventory submission due under the Convention for the first year of the commitment period after the Protocol has entered into force for that Party, but may start reporting this information from the year following the submission of the information referred to in paragraph 6 of the annex to decision -/CMP.7 (*Modalities for the accounting of assigned amounts*) on a voluntary basis;

3. *Decides* that a Party included in Annex I shall fail to meet the methodological and reporting requirements under Article 7, paragraph 1, for the purpose of the eligibility requirements under paragraph 21 of the guidelines adopted under decision 16/CP.7, paragraph 31 of the guidelines adopted under decision 17/CP.7, and paragraph 2 of the guidelines adopted under decision 18/CP.7 if:

(a) The Party concerned has failed to submit an annual inventory of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol, including the national inventory report and the common reporting format within six weeks of the submission date established by the Conference of the Parties;

(b) The Party concerned has failed to include an estimate for an Annex A source category (as defined in chapter 7 of the Intergovernmental Panel on Climate Change *Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories*, hereinafter referred to as the IPCC good practice guidance) that individually accounted for 7 per cent or more of the Party's aggregate emissions, defined as aggregate submitted emissions

of the gases and from the sources listed in Annex A to the Kyoto Protocol, in the most recent of the Party's reviewed inventories in which the source was estimated;

(c) For any single year during the commitment period, the aggregate adjusted greenhouse gas emissions for the Party concerned exceed the aggregate submitted emissions, defined as aggregate submitted emissions of the gases and from the sources listed in Annex A to the Kyoto Protocol, by more than 7 per cent;

(d) At any time during the commitment period the sum of the numerical values of the percentages calculated according to subparagraph (c) above for all years of the commitment period for which the review has been conducted exceeds 20;

(e) An adjustment for any key source category (as defined in chapter 7 of the IPCC good practice guidance) of the Party concerned that accounted for 2 per cent or more of the Party's aggregate emissions of the gases from the sources listed in Annex A was calculated during the inventory review in three subsequent years, unless the Party has requested assistance from the facilitative branch of the Compliance Committee in addressing this problem, prior to the beginning of the first commitment period, and the assistance is being provided.

4. Requests the secretariat to prepare a report relating to paragraph 4 of section VI.1 of the annex to decision 5/CP.6, based on information contained in national communications from Parties and other relevant sources, for consideration by the Subsidiary Body for Scientific and Technological Advice. This report shall be prepared each time that the review process under Article 8 of the Kyoto Protocol relating to national communications and supplementary information from Parties included in Annex I is completed.

ANNEX

Guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol[1]

I. REPORTING OF SUPPLEMENTARY INFORMATION UNDER ARTICLE 7, PARAGRAPH 1[2]

A. Applicability

1. The provisions of these guidelines shall apply for each Party included in Annex I which is also a Party to the Kyoto Protocol.

B. General approach

2. Each Party included in Annex I shall include the necessary supplementary information required by these guidelines, for the purpose of ensuring compliance with Article 3, in its annual inventory of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol, prepared in accordance with Article 5, paragraph 2, and submitted in accordance with decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP), taking into account any relevant decisions of the Conference of the Parties (COP). A Party included in Annex I need not separately submit an inventory under Article 12, paragraph 1 (a), of the Convention.

C. Objectives

3. The objectives of these guidelines are:

(a) To enable Parties included in Annex I to meet their commitments for reporting information in accordance with Article 7, paragraph 1;

(b) To promote the reporting of consistent, transparent, comparable, accurate and complete information by Parties included in Annex I;

(c) To facilitate the preparation of the information to be submitted to the COP/MOP by Parties included in Annex I;

(d) To facilitate the review under Article 8 of inventories and supplementary information under Article 7, paragraph 1, from Parties included in Annex I.

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[1] Note that additional reporting requirements are included in the annex to decision -/CMP.1*(Modalities for the accounting of assigned amounts)*.

[2] "Article" in these guidelines refers to an Article of the Kyoto Protocol, unless otherwise specified.

D. Greenhouse gas inventory information

4. Each Party included in Annex I shall describe in its annual inventory any steps taken to improve estimates in areas that were previously adjusted.

5. Each Party included in Annex I shall include in its annual[3] greenhouse gas inventory information on anthropogenic greenhouse gas emissions by sources and removals by sinks from land use, land-use change and forestry activities under Article 3, paragraph 3 and, if any, elected activities under Article 3, paragraph 4, in accordance with Article 5, paragraph 2, as elaborated by any good practice guidance in accordance with relevant decisions of the COP/MOP on land use, land-use change and forestry. Estimates for Article 3, paragraphs 3 and 4, shall be clearly distinguished from anthropogenic emissions from the sources listed in Annex A to the Kyoto Protocol. In reporting the information requested above, each Party included in Annex I shall include the reporting requirements specified in paragraphs 6 to 9 below, taking into consideration the selected values in accordance with paragraph 16 of the annex to decision -/CMP.1 *(Land use, land-use change and forestry)*.

6. General information to be reported for activities under Article 3, paragraphs 3, and any elected activities[4] under Article 3, paragraph 4, shall include:

(a) Information on how inventory methodologies have been applied taking into account any IPCC Good Practice Guidance on land use, land-use change and forestry agreed by the COP and recognising the principles as laid out in decision -/CMP.1 *(Land use, land-use change and forestry)*;

(b) The geographical location of the boundaries of the areas that encompass:

(i) Units of land subject to activities under Article 3, paragraph 3;

(ii) Units of land subject to activities under Article 3, paragraph 3, which would otherwise be included in land subject to elected activities under Article 3, paragraph 4, under the provisions of paragraph 8 of the annex to decision -/CMP.1 *(Land use, land-use change and forestry)*; and

(iii) Land subject to elected activities under Article 3, paragraph 4.

The information aims to ensure that units of land and areas of land are identifiable. Parties are encouraged to elaborate on this information on the basis of any relevant decisions of the COP/MOP on good practice guidance associated with land use, land-use change and forestry under Article 8;

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[3] It is recognised in the IPCC 1996 Revised Guidelines that the current practice on land use, land-use change and forestry does not in every situation request annual data collection for the purpose of preparing annual inventories based on a sound scientific basis.

[4] The elected activities shall be the same as those identified in the Party's report referred to in paragraph 8 of the annex to decision -/CMP.1 (*Modalities for the accounting of assigned amounts*).

(c) The spatial assessment unit used for determining the area of accounting for afforestation, reforestation and deforestation;

(d) Information on anthropogenic greenhouse gas emissions by sources and removals by sinks[5] resulting from activities under Article 3, paragraphs 3 and 4, for all geographical locations reported in the current and previous years, under paragraph 6 (b), above, since the beginning of the commitment period or the onset of the activity, whichever comes later. In the latter case the year of the onset of the activity shall also be included. Once land is accounted for under Article 3, paragraph 3, or Article 3, paragraph 4, reporting shall continue throughout subsequent and contiguous commitment periods;

(e) Information on which, if any, of the following pools: above-ground biomass, below-ground biomass, litter, dead wood and/or soil organic carbon were not accounted for, together with verifiable information that demonstrates that these unaccounted pools were not a net source of anthropogenic greenhouse gas emissions;

7. Information[6] should also be provided which indicates whether or not anthropogenic greenhouse gas emissions by sources and removals by sinks from land use, land-use change and forestry activities under Article 3 paragraph 3 and elected activities under Article 3 paragraph 4 factor out removals from:

(a) Elevated carbon dioxide concentrations above pre-industrial levels;

(b) Indirect nitrogen deposition; and

(c) The dynamic effects of age structure resulting from activities prior to 1 January 1990;

8. Specific information to be reported for activities under Article 3, paragraph 3, shall include:

(a) Information that demonstrates that activities under Article 3, paragraph 3, began on or after 1 January 1990 and before 31 December of the last year of the commitment period, and are directly human-induced;

(b) Information on how harvesting or forest disturbance that is followed by the re-establishment of a forest is distinguished from deforestation;

(c) Information on emissions and removals of greenhouse gases from lands harvested during the first commitment period following afforestation and reforestation on these units of

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[5] Such information shall be within levels of confidence as elaborated by any IPCC good practice guidance adopted by the COP/MOP and in accordance with relevant decisions of the COP/MOP on land use, land-use change and forestry.

[6] This recognises that the intent of the appendix to the annex to decision -/CMP.*1 (Land use, land-use change and forestry)* is to factor out the effects described in paragraphs 7(a) - 7(c) of these guidelines for the first commitment period.

land since 1990 consistent with the requirements under paragraph 4 of the annex to decision -/CMP.1 *(Land use, land-use change and forestry)*.

9. Specific information to be reported for any elected activities[7] under Article 3, paragraph 4, shall include:

(a) A demonstration that activities under Article 3, paragraph 4, have occurred since 1 January 1990 and are human induced;

(b) For Parties included in Annex I that elect cropland management and/or grazing land management and/or revegetation, anthropogenic greenhouse gas emissions by sources and removals by sinks for each year of the commitment period and for the base year for each of the elected activities on the geographical locations reported under paragraph 6 (b) above;

(c) Information that demonstrates that emissions by sources and removals by sinks resulting from elected Article 3, paragraph 4, activities are not accounted for under activities under Article 3, paragraph 3;

(d) For Parties included in Annex I that elect to account for forest management, under Article 3, paragraph 4, information that indicates to what extent the anthropogenic greenhouse gas removal by sinks offsets the debit incurred under Article 3, paragraph 3, if any, consistent with the requirements under paragraph 10 of the annex to decision –/CMP.1 *(Land use, land-use change and forestry)*.

E. Information on emission reduction units, certified emission reductions, assigned amount units and removal units

[Text to be incorporated in accordance with paragraph 3 of decision 22/CP.7]

F. Changes in national systems in accordance with Article 5, paragraph 1

10. Each Party included in Annex I shall include in its national inventory report information on any changes that have occurred in its national system compared with information reported in its last submission, including information submitted in accordance with paragraphs 19 to 20 of these guidelines.

G. Changes in national registries

11. Each Party included in Annex I with a commitment inscribed in Annex B shall include in its national inventory report information on any changes that have occurred in its national registry, compared with information reported in its last submission, including information submitted in accordance with paragraph ..[8] of these guidelines.

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[7] See footnote 5.

[8] This paragraph notation refers to paragraph 3, Section II. E, in appendix I to decision 22/CP.7. The number of this paragraph will change once the corresponding part of the appendix is incorporated in the present guidelines.

H. Minimization of adverse impacts in accordance with Article 3, paragraph 14

12. Each Party included in Annex I shall provide information relating to how it is striving, under Article 3, paragraph 14, of the Kyoto Protocol, to implement its commitments mentioned in Article 3, paragraph 1, of the Kyoto Protocol in such a way as to minimize adverse social, environmental and economic impacts on developing country Parties, particularly those identified in Article 4, paragraphs 8 and 9, of the Convention.

13. Parties included in Annex II, and other Parties included in Annex I that are in a position to do so, shall incorporate information on how they give priority, in implementing their commitments under Article 3, paragraph 14, to the following actions, based on relevant methodologies referred to in paragraph 11 of decision -/CMP.1 *(Matters relating to Article 3, paragraph 14, of the Kyoto Protocol)*:

(a) The progressive reduction or phasing out of market imperfections, fiscal incentives, tax and duty exemptions and subsidies in all greenhouse gas emitting sectors, taking into account the need for energy price reforms to reflect market prices and externalities;

(b) Removing subsidies associated with the use of environmentally unsound and unsafe technologies;

(c) Cooperating in the technological development of non-energy uses of fossil fuels, and supporting developing country Parties to this end;

(d) Cooperating in the development, diffusion, and transfer of less greenhouse gas emitting advanced fossil-fuel technologies, and/or technologies relating to fossil fuels that capture and store greenhouse gases, and encouraging their wider use; and facilitating the participation of the least developed countries and other non-Annex I Parties in this effort;

(e) Strengthening the capacity of developing country Parties identified in Article 4, paragraphs 8 and 9, of the Convention for improving efficiency in upstream and downstream activities relating to fossil fuels, taking into consideration the need to improve the environmental efficiency of these activities; and

(f) Assisting developing country Parties which are highly dependent on the export and consumption of fossil fuels in diversifying their economies.

14. Where the information referred to in paragraphs 12 and 13 above has been provided in earlier submissions, the Party included in Annex I shall include information in its national inventory report on any changes that have occurred, compared with the information reported in its last submission.

15. The secretariat shall annually compile the supplementary information mentioned in paragraphs 12 to 14 above.

II. REPORTING OF SUPPLEMENTARY INFORMATION UNDER ARTICLE 7, PARAGRAPH 2

A. Applicability

16. The provisions of these guidelines shall apply for each Party included in Annex I which is also a Party to the Kyoto Protocol.

B. General approach

17. Each Party included in Annex I shall include the necessary supplementary information required under these guidelines to demonstrate compliance with its commitments under the Protocol in its national communication submitted under Article 12 of the Convention, with the time frames for the obligations established by the Kyoto Protocol, and with the relevant decisions of the COP and the COP/MOP.

C. Objectives

18. The objectives of these guidelines are:

(a) To enable Parties included in Annex I to meet their commitments for reporting information in accordance with Article 7, paragraph 2;

(b) To promote the reporting of consistent, transparent, comparable, accurate and complete information by Parties included in Annex I;

(c) To facilitate the preparation of the information to be submitted to the COP/MOP by Parties included in Annex I;

(d) To facilitate the review under Article 8 of national communications and of the supplementary information under Article 7, paragraph 2, from Parties included in Annex I.

D. National systems in accordance with Article 5, paragraph 1

19. Each Party included in Annex I shall provide a description of how it is performing the general and specific functions defined in the guidelines for national systems under Article 5, paragraph 1. The description shall contain the following elements:

(a) The name and contact information for the national entity and its designated representative with overall responsibility for the national inventory of the Party;

(b) The roles and responsibilities of various agencies and entities in relation to the inventory development process, as well as the institutional, legal and procedural arrangements made to prepare the inventory;

(c) A description of the process for collecting activity data, for selecting emission factors and methods, and for the development of emission estimates;

(d) A description of the process and the results of key source identification and, where relevant, archiving of test data;

(e) A description of the process for the recalculation of previously submitted inventory data;

(f) A description of the quality assurance and quality control plan, its implementation and the quality objectives established, and information on internal and external evaluation and review processes and their results in accordance with the guidelines for national systems;

(g) A description of the procedures for the official consideration and approval of the inventory.

20. Where the Party included in Annex I has not performed all functions, the Party shall provide an explanation of which functions were not performed or were only partially performed and information on the action planned or taken to perform these functions in the future.

E. National registries

[Text to be incorporated in accordance with paragraph 3 of decision 22/CP.7]

F. Supplementarity relating to the mechanisms pursuant to Articles 6, 12 and 17

21. Each Party included in Annex I shall provide information on how its use of the mechanisms is supplemental to domestic action, and how its domestic action thus constitutes a significant element of the effort made to meet its quantified limitation and reduction commitments under Article 3, paragraph 1, in accordance with the provisions of decision 5/CP.6.

G. Policies and measures in accordance with Article 2

22. In providing information under part II, section V, of the guidelines for the preparation of national communications by Parties included in Annex I to the Convention (FCCC/CP/1999/7), each Party included in Annex I shall specifically address policies and measures implemented and/or further elaborated as well as cooperation with other such Parties in achieving its quantified emission limitation and reduction commitment under Article 3, in order to promote sustainable development. Such reporting shall take into account any relevant decision by the COP and the COP/MOP resulting from the process for further consideration of the issue of policies and measures (decision 13/CP.7).

23. With respect to aviation and marine bunker fuels, each Party included in Annex I shall, in pursuit of Article 2, paragraph 2, of the Kyoto Protocol, identify the steps it has taken to promote and/or implement any decisions by the International Civil Aviation Organization and the International Maritime Organization in order to limit or reduce emissions of greenhouse gases not controlled by the Montreal Protocol from aviation and marine bunker fuels.

24. Each Party included in Annex I shall also provide information not reported elsewhere under these guidelines on how it strives to implement policies and measures under Article 2 of the Kyoto Protocol in such a way as to minimize adverse effects, including the adverse effects of climate change, effects on international trade, and social, environmental and economic impacts on other Parties, especially developing country Parties and in particular those identified in Article 4, paragraphs 8 and 9, of the Convention, taking into account Article 3 of the Convention.

H. Domestic and regional programmes and/or legislative arrangements and enforcement and administrative procedures

25. Each Party included in Annex I shall report any relevant information on its domestic and regional legislative arrangements and enforcement and administrative procedures, established pursuant to the implementation of the Kyoto Protocol, according to its national circumstances. This information shall include:

(a) A description of any domestic and regional legislative arrangements and enforcement and administrative procedures the Party has in place to meet its commitments under the Kyoto Protocol, including the legal authority for such programmes, how they are implemented, and procedures for addressing cases of non-compliance under domestic law;

(b) A description of any provisions to make information on these legislative arrangements and enforcement and administrative procedures (e.g. rules on enforcement and administrative procedures, action taken) publicly accessible;

(c) A description of any institutional arrangements and decision-making procedures that it has in place to coordinate activities related to participation in the mechanisms under Articles 6, 12 and 17, including the participation of legal entities.

26. Each Party included in Annex I shall provide a description of any national legislative arrangements and administrative procedures that seek to ensure that the implementation of activities under Article 3, paragraph 3, and any elected activities under Article 3, paragraph 4, also contributes to the conservation of biodiversity and sustainable use of natural resources.

I. Information under Article 10

27. Each Party included in Annex I shall report its activities, actions and programmes undertaken in fulfilment of its commitments under Article 10.

28. Each Party included in Annex I shall report on the steps it has taken to promote, facilitate and finance the transfer of technology to developing countries and to build their capacity, taking into account Article 4, paragraphs 3, 5 and 7, of the Convention in order to facilitate the implementation of Article 10 of the Kyoto Protocol.

J. Financial resources

29. Each Party included in Annex II shall provide information on the implementation of Article 11 of the Kyoto Protocol, in particular information on what new and additional financial resources have been provided, in what way these resources are new and additional, and how that Party has taken into account the need for adequacy and predictability in the flow of these resources.

30. Each Party included in Annex II shall provide information on its contribution to the entity or entities entrusted with the operation of the financial mechanism.

31. Any Party included in Annex I that has provided funding for the adaptation fund established in accordance with decision 10/CP.7 shall report on its financial contributions to this

fund. In doing so, the Party shall take into account the information reported in accordance with paragraph 6 of decision 10/CP.7.

III. LANGUAGE

32. The information reported in accordance with these guidelines shall be submitted in one of the official languages of the United Nations. Parties included in Annex I are encouraged to submit a translation of the information under Article 7, paragraph 1, in English, in order to facilitate the annual review of the inventory information under Article 8.

IV. UPDATING

33. These guidelines shall be reviewed and revised, as appropriate, by consensus, in accordance with decisions of the COP/MOP, taking into account any relevant decisions of the COP.

Decision 23/CP.7

Guidelines for review under Article 8 of the Kyoto Protocol

The Conference of the Parties,

Recalling its decisions 1/CP.3, 1/CP.4, 8/CP.4, 6/CP.5, and 5/CP.6 containing the Bonn Agreements on the implementation of the Buenos Aires Plan of Action,

Noting the relevant provisions of the Kyoto Protocol to the United Nations Framework Convention on Climate Change, in particular its Article 8,

Recalling its decisions 6/CP.3 and 11/CP.4 and the usefulness of past compilations and syntheses of national communications,

1. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session, adopt draft decision -/CMP.1 *(Article 8)* below;

2. *Requests* the Subsidiary Body for Scientific and Technological Advice (SBSTA), at its seventeenth session, to elaborate the characteristics of the relevant training, the subsequent assessment after completion of the training, and/or any other means needed to ensure the necessary competence of experts for participation in expert review teams, and to forward any draft decision on this issue to the Conference of the Parties at its eighth session, with a view to recommending it for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session after the entry into force of the Kyoto Protocol;

3. *Invites* Parties to submit their views to the secretariat on the issues mentioned in paragraph 2 above, by 15 September 2002, and requests the secretariat to compile these views in a miscellaneous document for consideration by the SBSTA at its seventeenth session;

4. *Requests* the SBSTA, at its seventeenth session, to elaborate terms of service for the lead reviewers of expert review teams and to forward any draft decision on this subject to the Conference of the Parties at its eighth session, with a view to recommending it for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session after the entry into force of the Kyoto Protocol;

5. *Invites* Parties to submit their views to the secretariat on the issues referred to in paragraph 4 above, by 1 July 2002, and requests the secretariat to compile these views in a miscellaneous document for consideration by the SBSTA at its seventeenth session.

6. *Requests* the secretariat to prepare a document containing different options for the terms of service for lead reviewers of expert review teams, including financial implications and working arrangements, for consideration by the SBSTA at its seventeenth session;

7. *Requests* the SBSTA, at its seventeenth session, to consider options for the treatment of confidential data during the review activities under Article 8 of the Kyoto Protocol, with a view to recommending to the Conference of the Parties, at its eighth session, a decision on

this matter for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session after the entry into force of the Kyoto Protocol;

8. *Requests* the secretariat to prepare a document containing an analysis of the practices of other international treaty bodies and organizations on the treatment of confidential information, for consideration by the SBSTA at its sixteenth session;

9. *Invites* Parties to submit their views on the question of confidentiality referred to in paragraph 7 above, by 1 August 2002;

10. *Decides* that there shall be an expedited procedure for the review for reinstatement of eligibility of a Party included in Annex I to use the mechanisms established under Articles 6, 12 and 17 of the Kyoto Protocol;

11. *Recognizes* the elements of the expedited procedure for the review for reinstatement of eligibility to use the mechanisms included in appendix II to the present decision;

12. *Invites* Parties to submit their views to the secretariat on the issues mentioned in paragraph 10 above, by 15 March 2002;

13. *Requests* the SBSTA, at its sixteenth session, to elaborate further part III (Review of information on assigned amounts) and part V (Review of national registries) of the guidelines for review under Article 8 of the Kyoto Protocol, as contained in appendix I to the present decision, and any additional issues decided upon by the SBSTA. It also requests the SBSTA, at its sixteenth session, to elaborate the procedures, timing and reporting for the review under Article 8 of information for the reinstatement of eligibility to use the mechanisms under Articles 6, 12 and 17, as contained in appendix II to the present decision. In so doing, the SBSTA should take into account the decision of the Conference of the Parties on modalities for the accounting of assigned amounts under Article 7, paragraph 4 (decision 19/CP.7). The SBSTA should elaborate the above-mentioned sections with a view to recommending to the Conference of the Parties, at its eighth session, a decision incorporating those sections into the guidelines for review under Article 8 of the Kyoto Protocol (decision 23/CP.7) for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session after the entry into force of the Kyoto Protocol.

8th plenary meeting
10 November 2001

Appendix I

PART III: REVIEW OF INFORMATION ON ASSIGNED AMOUNTS PURSUANT TO ARTICLE 3, PARAGRAPHS 7 AND 8, EMISSION REDUCTION UNITS, CERTIFIED EMISSION REDUCTIONS, ASSIGNED AMOUNT UNITS AND REMOVAL UNITS

A. Purpose

1. The purpose of this review is to ensure that the COP/MOP and the Compliance Committee have adequate information on assigned amounts pursuant to Article 3, paragraphs 7 and 8, ERUs, CERs, AAUs and RMUs.

B. General procedures

2. The review of information on assigned amounts pursuant to Article 3, paragraphs 7 and 8, ERUs, CERs, AAUs and RMUs, shall take place in conjunction with the annual inventory review.

3. The expert review team shall review the information as a centralized desk exercise.

C. Scope of the review

4. The review of information on assigned amounts shall cover the calculation by each Party included in Annex I of its assigned amount pursuant to Article 3, paragraphs 7 and 8, and the information reported in accordance with section I.E, "Information on emission reduction units, certified emission reductions, assigned amount units and removal units", of the guidelines for the preparation of information under Article 7 (decision 22/CP.7, appendix).

1. Identification of problems

5. The expert review team shall:

(a) Check whether information is complete and submitted in accordance with section I of the guidelines for the preparation of information required under Article 7, and relevant decisions of the COP and the COP/MOP;

(b) Check that the assigned amount pursuant to Article 3, paragraphs 7 and 8, is calculated in accordance with the modalities for the accounting of assigned amounts under Article 7, paragraph 4, is consistent with reviewed and adjusted inventory estimates, is consistent with information submitted in previous years and is issued into the national registry in conformity with the modalities for the accounting of assigned amounts under Article 7, paragraph 4;

(c) Check that ERUs, CERs, AAUs and RMUs are issued and cancelled in accordance with the modalities for the accounting of assigned amounts under Article 7, paragraph 4, and are consistent with reviewed and adjusted inventory estimates;

(d) Cross-check the information on transfers and acquisitions, including for the purposes of cancelling and retiring, as well as on carry-overs to the subsequent commitment period, and highlight any discrepancies;

(e) Check that the required level of the commitment period reserve, as reported, is calculated in accordance with decision 18/CP.7;

(f) Check that the required level of the commitment period reserve has not been infringed upon at any time.

D. Timing

6. During the review, the expert review team shall identify problems and notify the Party of them. The Party included in Annex I may correct the problems or provide additional information within the time frame set out in the guidelines (paragraphs 72 to 78), contained in the annex to decision -/CMP.1 *(Article 8)*, attached hereto.

E. Reporting

7. The following specific elements shall be included in the reports referred to in paragraph 46 (a) and (b) of the annex to decision -/CMP.1 *(Article 8)*, attached hereto:

(a) Identification of problems according to the categories listed in paragraph 5 of the present appendix;

(b) For each problem, a quantitative indication of the magnitude of the part of the assigned amount affected by the problem expressed as a percentage of the assigned amount pursuant to Article 3, paragraphs 7 and 8.

PART V: REVIEW OF NATIONAL REGISTRIES

A. Purpose

8. The purpose of the review of national registries is:

(a) To provide a thorough and comprehensive technical assessment of the capacity of a national registry;

(b) To assess the extent to which the registry requirements contained in the modalities for the accounting of assigned amounts under Article 7, paragraph 4, have been adhered to and to assist Parties included in Annex I in meeting their commitments;

(c) To provide the COP/MOP and the Compliance Committee with reliable information on national registries.

B. General procedures

9. The review of national registries shall take place in two parts:

(a) A thorough review of the national registry, as part of the review prior to the commitment period and its in-country visit;

(b) A desk or centralized review of any reported changes in the national registry reported since the first thorough review, conducted in conjunction with the annual inventory review.

C. Scope of the review

1. In-country review

10. The expert review team shall conduct a thorough and comprehensive review of the national registry of each Party included in Annex I. The review of the national registry should cover the extent to which the registry requirements contained in the modalities for the accounting of assigned amounts under Article 7, paragraph 4, and the technical standards for the purpose of ensuring the accurate, transparent and efficient exchange of data between national registries, the clean development mechanism registry and the independent transaction log, have been adhered to.

2. Review of changes in the national registry

11. Any significant changes in the national registry reported by Parties included in Annex I or identified by the expert review team during the in-country visit that may affect the performance of the registry should be reviewed annually in conjunction with the annual inventory review.

3. Identification of problems

12. The expert review team shall, *inter alia*:

(a) Check whether information on national registries is complete and submitted in accordance with section I of the guidelines for the preparation of information required under Article 7, and with relevant decisions of the COP and the COP/MOP;

(b) Check whether the registry conforms to the technical standards for the purpose of ensuring accurate, transparent and efficient exchange of data between national registries, the clean development registry and the independent transaction log;

(c) Check whether the issuance and cancellation of units is in accordance with the modalities for the accounting of assigned amounts under to Article 7, paragraph 4;

(d) Check whether the transaction procedures, including those relating to the transaction log, are in accordance with the modalities for the accounting of assigned amounts under Article 7, paragraph 4;

(e) Check the procedures to prevent discrepancies in the issuance, transfer, acquisition, cancellation and retirement of ERUs, CERs, AAUs and RMUs;

(f) Check the security measures to deter unauthorized manipulations and minimize operator error;

(g) Check whether information is publicly available in accordance with the modalities for the accounting of assigned amounts under Article 7, paragraph 4;

D. Timing

13. During the process of the in-country visit, the expert review team shall list all the problems identified and shall notify the Party included in Annex I no later than six weeks after the visit of the problems identified. The Party included in Annex I shall comment on these problems within six weeks of the notification. The expert review team shall prepare a draft of a review report on the national registry, within six weeks of the receipt of the comments on the questions posed. Any corrections, additional information or comments on the draft report received from the Party included in Annex I within four weeks after the report has been sent to that Party shall be subject to review and shall be included in the final inventory review report. The expert review team shall prepare a final report on the review of the national registry within four weeks of the receipt of the comments on the draft report. The review of the national registry shall be concluded within one year of the date of submission of the information.

14. The review of changes in the national registry shall follow the timetable for the review of annual inventories defined in part II of these guidelines. If either the annual inventory review or the review of changes in the national registry recommends an in-depth review of the national registry, the inventory review of national registries should be conducted together with the subsequent in-country review of either the annual inventory or the periodic national communication, whichever is earlier.

E. Reporting

15. The following specific elements shall be included in the reports referred to in paragraph 46 (a) and (b) of the annex to decision -/CMP.1 *(Article 8)* attached hereto:

(h) Identification of problems according to the categories listed in paragraph 12 above;

(i) An evaluation of the overall functioning of the national registry.

Appendix II

Review for reinstatement of eligibility to use mechanisms[1]

1. The purpose of the review for reinstatement of eligibility of a Party included in Annex I to the Convention to use the mechanism established under Articles 6, 12 and 17 is:

(a) To provide for an expedited procedure for the reinstatement of a Party included in Annex I to the Convention which is able to demonstrate that it is no longer failing to meet eligibility requirements under Articles 6, 12 and 17;

(a) To provide an objective, transparent, thorough and comprehensive assessment of information provided by a Party on Articles 5 and 7 matters which led to the suspension of its eligibility to use the mechanisms;

(b) To ensure that the enforcement branch has reliable information to consider the eligibility of Parties to use the mechanisms.

2. Any Party included in Annex I that has been suspended from eligibility to use the mechanisms may, at any time following suspension, submit information on the matter which led to the suspension of eligibility. This information shall be reviewed expeditiously in accordance with the relevant provisions of parts II, III, IV and/or V of these guidelines.

3. For the purposes of this review for reinstatement, the following time frames shall apply:

(a) The expert review team shall prepare an expedited draft review report within [*x*] weeks of the receipt of information from the Party in question;

(c) The Party shall be provided with [*y*] weeks to comment upon the expedited draft review report;

(d) The expert review team shall prepare an expedited final review report within [*z*] weeks of the receipt of comments upon the draft report;

(e) The review shall be completed as soon as practicable, with the aim of completion no more than 10 weeks after the expert review team has been formed and starts the consideration of the information from the Party.

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[1] It was proposed that the present text would be included in section D of part I of the draft guidelines for review under Article 8 of the Kyoto Protocol contained in the annex to the attached -/CMP.1 decision.

Draft decision -/CMP.1 *(Article 8)*

Guidelines for review under Article 8 of the Kyoto Protocol

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Recalling Article 8 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change,

Having considered decision 23/CP.7, adopted by the Conference of the Parties at its seventh session,

Recognizing the importance of the review process under Article 8 for the implementation of other provisions of the Kyoto Protocol,

1. *Adopts* the guidelines for review under Article 8 of the Kyoto Protocol as contained in the annex to the present decision;

2. *Decides* that for each Party included in Annex I the review prior to the first commitment period shall be initiated upon receipt of the report as mentioned in paragraph 6 of the annex to decision -/CMP.1 *(Modalities for the accounting of assigned amounts)* attached to decision 19/CP.7. The review prior to the commitment period for each Party, including the procedures for adjustments under Article 5, paragraph 2, between the expert review team and the Party, shall be completed within 12 months of the initiation of the review and a report shall be forwarded expeditiously to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the Compliance Committee. Further expertise and resources shall be provided to ensure the quality of the review in the case where review has to take place for several Parties at the same time;

3. *Decides* to start the periodic review for each Party included in Annex I when it submits its first national communication under the Kyoto Protocol;

4. *Decides* to start the annual review for each Party included in Annex I in the year that the Party commences reporting under Article 7, paragraph 1;

5. *Decides* to start the annual review in the year following the submission of the report referred to in paragraph 6 of the annex to decision -/CMP.1 (*Modalities for the accounting of assigned amounts*) attached to decision 19/CP.7 for those Parties included in Annex I that started reporting information under Article 7, paragraph 1, on a voluntary basis earlier than required under Article 7, paragraph 3;

6. *Invites* Parties that opt to submit information for review before January 2007 to notify the secretariat at their earliest convenience in order to facilitate the timely establishment of the expert review teams.

ANNEX

Guidelines for review under Article 8 of the Kyoto Protocol[1]

PART I: GENERAL APPROACH TO REVIEW

A. Applicability

1. Each Party included in Annex I which is also a Party to the Protocol will be subject to review of information submitted under Article 7 in accordance with the provisions of these guidelines. For these Parties, the review process established under these guidelines shall encompass any existing review under the Convention.

B. Objectives

2. The objectives for review under Article 8 of the Kyoto Protocol are:

(a) To establish a process for a thorough, objective and comprehensive technical assessment of all aspects of the implementation of the Kyoto Protocol by Parties included in Annex I;

(b) To promote consistency and transparency in the review of information submitted by Parties included in Annex I under Article 7 of the Kyoto Protocol;

(c) To assist Parties included in Annex I in improving their reporting of information under Article 7 and the implementation of their commitments under the Protocol;

(d) To provide the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP), and the Compliance Committee, with a technical assessment of the implementation of the Kyoto Protocol by Parties included in Annex I.

C. General approach

3. The provisions of these guidelines shall apply to the review of information submitted by Parties included in Annex I under Article 7, relevant decisions of the COP/MOP and relevant decisions of the Conference of the Parties (COP) specific to Parties included in Annex I.

4. The expert review team shall provide a thorough and comprehensive technical assessment of all aspects of the implementation by a Party of the Kyoto Protocol and identify any potential problems in, and factors influencing, the fulfilment of commitments. The expert review team shall conduct technical reviews to provide information expeditiously to the COP/MOP and the Compliance Committee in accordance with the procedures in these guidelines.

5. At any stage in the review process, expert review teams may put questions to, or request additional or clarifying information from, the Parties included in Annex I regarding a potential problem identified by the team. The expert review team should offer advice to Parties included in Annex I on how to correct problems that they identify, taking into account the national

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[1] "Article" in these guidelines refers to an article of the Kyoto Protocol, unless otherwise specified.

circumstances of the Party. The expert review team shall also provide technical advice to the COP/MOP or the Compliance Committee, upon its request.

6. Parties included in Annex I should provide the expert review team with access to information necessary to substantiate and clarify the implementation of their commitments under the Kyoto Protocol, in accordance with relevant guidelines adopted by the COP and/or the COP/MOP and, during the in-country visits, should also provide appropriate working facilities. Parties included in Annex I should make every reasonable effort to respond to all questions and requests from the expert review team for additional clarifying information relating to identified problems and correct such problems within the time limits set out in these guidelines.

1. Questions of implementation

7. If the expert review team identifies potential problems during the review, it shall put questions to the Party included in Annex I regarding these potential problems and offer advice to the Party on how to correct them. The Party may correct the problems or provide additional information within the time frame set out in these guidelines. Subsequently, a draft of each review report shall be forwarded to the Party subject to review for comment.

8. Only if an unresolved problem pertaining to language of a mandatory nature in these guidelines influencing the fulfilment of commitments still exists after the Party included in Annex I has been provided with opportunities to correct the problem within the time frames established under the relevant review procedures, shall that problem be listed as a question of implementation in the final review reports. An unresolved problem pertaining to language of a non-mandatory nature in these guidelines shall be noted in the final review report, but shall not be listed as a question of implementation.

2. Confidentiality

9. Pursuant to a request from the expert review team for additional data or information or access to data used in the preparation of the inventory, a Party included in Annex I may indicate whether such information and data are confidential. In such a case, the Party should provide the basis for protecting such information, including any domestic law, and upon receipt of assurance that the data will be maintained as confidential by the expert review team, shall submit the confidential data in accordance with domestic law and in a manner that allows the expert review team access to sufficient information and data for the assessment of conformity with the IPCC Guidelines as elaborated by the IPCC good practice guidance and any good practice guidance adopted by the COP/MOP. Any confidential information and data submitted by a Party in accordance with this paragraph shall be maintained as confidential by the expert review team, in accordance with any decisions on this matter adopted by the COP/MOP.

10. An expert review team member's obligation not to disclose confidential information shall continue after termination of his or her service on the expert review team.

D. Timing and procedures

1. Initial review

11. Each Party included in Annex I shall be subject to review prior to the first commitment period or within one year after the entry into force of the Kyoto Protocol for that Party, whichever is later.

12. The expert review team shall review the following information contained or referenced in the report referred to in paragraph 6 of the annex to decision -/CMP.1 *(Modalities for the accounting of assigned amounts)* for each Party included in Annex I:

(a) Complete inventories of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol for all years from 1990, or other approved base year or period under Article 3, paragraph 5, to the most recent year available with an emphasis on the base year or period, including the selected base year for hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride in accordance with Article 3, paragraph 8, and the most recent year, for conformity with Article 5, paragraph 2, in accordance with the procedures contained in part II of these guidelines;

(b) The calculation of the assigned amount pursuant to Article 3, paragraphs 7 and 8, and the commitment period reserve, for conformity with the modalities for the accounting of assigned amounts under Article 7, paragraph 4, in accordance with the procedures contained in part III of these guidelines;

(c) The national system pursuant to Article 5, paragraph 1, in accordance with the procedures contained in part IV of these guidelines;

(d) The national registry pursuant to Article 7, paragraph 4, in accordance with the procedures contained in part V of these guidelines.

13. The first national communication due under the Convention after the Protocol has entered into force for that Party will be reviewed prior to the first commitment period in accordance with the provisions of paragraph 19 below.[2]

14. For each Party included in Annex I, the elements specified in paragraphs 12 (a) to 12 (d) above shall be reviewed in conjunction. An in-country visit shall be conducted as part of this review.

2. Annual review

15. Each Party included in Annex I shall be subject to an annual review of:

(a) The annual inventory, including the national inventory report and the common reporting format (CRF), for conformity with Article 5, paragraph 2, in accordance with the procedures contained in part II of these guidelines;

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[2] This will be the case if this national communication is submitted prior to the first commitment period.

(b) The following supplementary information, in accordance with the guidelines for the preparation of the information required under Article 7, section I:

(i) Information provided during the commitment period for land use, land-use change and forestry activities under Article 3, paragraphs 3 and 4, for conformity with the requirements of relevant decisions of the COP/MOP, in accordance with the procedures contained in part II of these guidelines;

(ii) Information on assigned amounts pursuant to Article 3, paragraphs 7 and 8, emission reduction units, certified emission reductions, assigned amount units and removal units, in accordance with the procedures contained in part III of these guidelines;

(iii) Changes in national systems in accordance with the procedures contained in part IV of these guidelines;

(iv) Changes in national registries in accordance with the procedures contained in part V of these guidelines;

(v) Information provided on matters related to Article 3, paragraph 14, and supplementary information in accordance with the procedures contained in part VI of these guidelines.

16. The annual review, including adjustment procedures as part of the review of the annual or base year inventory, shall be concluded within one year of the due date for submission of the information to be reported under Article 7, paragraph 1.

17. The elements specified in paragraph 15 (b) (iii) and (iv) above shall be subject to review as part of the annual review only if problems or significant changes have been identified by an expert review team or if the Party included in Annex I reports significant changes in its inventory report as defined in paragraphs 89 and .. [3] of these guidelines.

18. The elements described in paragraph 15 above shall be reviewed together for each Party included in Annex I by a single expert review team.

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[3] This paragraph notation refers to paragraph 4 of section V in appendix I to decision 23/CP.7. The number of this paragraph will change once the corresponding part of the appendix is incorporated in the present guidelines.

3. Periodic review

19. Each national communication submitted under the Kyoto Protocol by a Party included in Annex I shall be subject to a scheduled in-country review in accordance with part VII of these guidelines.[4]

E. Expert review teams and institutional arrangements

1. Expert review teams

20. Each submission under Article 7 shall be assigned to a single expert review team that shall be responsible for performing the review in accordance with the procedures and time frames established in these guidelines. A submission by a Party included in Annex I shall not be reviewed in two successive review years by expert review teams with identical composition.

21. Each expert review team shall provide a thorough and comprehensive technical assessment of information submitted under Article 7 and shall, under its collective responsibility, prepare a review report, assessing the implementation of the commitments of the Party included in Annex I and identifying any potential problems in, and factors influencing, the fulfilment of commitments. The expert review teams shall refrain from making any political judgement. If needed, the expert review teams shall calculate adjustments in accordance with any guidance under Article 5, paragraph 2, adopted by the COP/MOP, in consultation with the Party concerned.

22. Expert review teams shall be coordinated by the secretariat and shall be composed of experts selected on an ad hoc basis from the UNFCCC roster of experts and will include lead reviewers. Expert review teams formed for the tasks carried out under the provisions of these guidelines may vary in size and composition, taking into account the national circumstances of the Party under review and the different expertise needs of each review task.

23. Participating experts shall serve in their personal capacity.

24. Participating experts shall have recognized competence in the areas to be reviewed according to these guidelines. The training to be provided to experts, and the subsequent

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[4] It is likely that the fourth national communication will be the first national communication under the Kyoto Protocol and that such review will occur prior to the first commitment period: Article 7, paragraph 3, states that each Party included in Annex I shall submit the information required under Article 7, paragraph 2, as part of the first national communication due under the Convention after the Protocol has entered into force for it and after adoption of guidelines for the preparation of information under Article 7. This Article also states that the COP/MOP shall determine the frequency of submission of national communications, taking into account any timetable for submission of national communications decided upon by the COP. Decision 11/CP.4 requests Parties included in Annex I to submit a third national communication by 30 November 2001 and subsequent national communications on a regular basis, at intervals of three to five years, to be decided at a future session, and requires that each of those national communications should be subject to an in-depth review coordinated by the secretariat.

assessment after the completion of the training[5] and/or any other means needed to ensure the necessary competence of experts for participation in expert review teams shall be designed and operationalized in accordance with relevant decisions of the COP and the COP/MOP.

25. Experts selected for a specific review activity shall neither be nationals of the Party under review, nor be nominated or funded by that Party.

26. Experts shall be nominated by Parties to the Convention to the roster of experts and, as appropriate, by intergovernmental organizations, in accordance with guidance provided for this purpose by the COP.

27. Participating experts from Parties not included in Annex I and Parties included in Annex I with economies in transition shall be funded according to the existing procedures for participation in UNFCCC activities. Experts from other Parties included in Annex I shall be funded by their governments.

28. In the conduct of the review, expert review teams shall adhere to these guidelines and work on the basis of established and published procedures agreed upon by the SBSTA, including quality assurance and control and confidentiality provisions.

2. Competences

29. Competences required to be members of the expert review teams for the review of annual information submitted under Article 7, paragraph 1 are:

(a) Greenhouse gas inventories in general and/or specific sectors (energy, industrial processes, solvents and other products use, agriculture, land use, land-use change and forestry, and waste);

(b) National systems, national registries, information on assigned amounts and information related to Article 3, paragraph 14.

30. Competences required to be members of the expert review teams for the review of national communications and the supplementary information under Article 7, paragraph 2, are on those areas referred to in paragraph 112 (b) and (c) of these guidelines.

3. Composition of the expert review teams

31. The secretariat shall select the members of the review teams to review the annual information submitted under Article 7, paragraph 1, and to review national communications and the supplementary information under Article 7, paragraph 2, in a way that the collective skills of the team address the areas mentioned in paragraphs 29 and 30 above, respectively.

32. The secretariat shall select the members of the expert review teams with a view to achieving a balance between experts from Annex I and non-Annex I Parties in the overall composition of the expert review teams, without compromising the selection criteria referred to

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[5] Those experts that opt not to participate in the training have to undergo a similar assessment successfully in order to enable them to qualify for participation in expert review teams.

in paragraph 31 above. The secretariat shall make every effort to ensure geographical balance among those experts selected from non-Annex I Parties and among those experts selected from Annex I Parties.

33. The secretariat shall ensure that in any expert review team one co-lead reviewer shall be from a Party included in Annex I and one from a Party not included in Annex I.

34. Without compromising the selection criteria stated in paragraphs 31, 32 and 33 above, the formation of expert review teams should ensure, to the extent possible, that at least one member is fluent in the language of the Party under review.

35. The secretariat shall prepare an annual report to the SBSTA on the composition, including the selection of experts for the review teams and the lead reviewers, and the actions taken to ensure the application of the selection criteria stated in paragraphs 31 and 32 above.

4. Lead reviewers

36. Lead reviewers shall act as co-lead reviewers for the expert review teams under these guidelines.

37. Lead reviewers should ensure that the reviews in which they participate are performed according to the review guidelines and are performed consistently across Parties by each expert review team. They also should ensure the quality and the objectivity of the thorough and comprehensive technical assessments in the reviews and to provide for continuity, comparability and timeliness of the review.

38. Lead reviewers may be offered additional training to that referred to in paragraph 24 above to enhance their skills.

39. With the administrative support of the secretariat, lead reviewers shall, for each review activity:

(a) Prepare a brief work plan for the review activity;

(b) Verify that the reviewers have all the necessary information provided by the secretariat prior to the review activity;

(c) Monitor the progress of the review activity;

(d) Coordinate queries of the expert review team to the Party and coordinate the inclusion of the answers in the review reports;

(e) Provide technical advice to the ad hoc experts, if needed;

(f) Ensure that the review is performed and the review report is prepared in accordance with the relevant guidelines; and

(g) For inventory reviews, verify that the review team gives priority to individual source categories for review in accordance with the guidelines.

40. Lead reviewers collectively shall also:

(a) Prepare an annual report to the SBSTA with suggestions on how to improve the review process in the light of paragraph 2 of the present guidelines; and

(b) Advise on the standardized data comparisons of inventory information referred to in paragraph 67 below.

41. Lead reviewers shall comprise experts from Parties to the Convention nominated to the UNFCCC roster by Parties, and their collective skills shall address the areas mentioned in paragraph 29 above. During the period where national communications and the supplementary information under Article 7, paragraph 2, are reviewed, additional experts from Parties to the Convention nominated to the UNFCCC roster by Parties will act as lead reviewers whose collective skills relate to the areas referred to in paragraph 30 above.

42. Lead reviewers shall be assigned for a minimum period of two years and a maximum period of three years to ensure the continuity and consistency of the review process. Half of the lead reviewers shall be assigned initially for a term of two years and the other half for a term of three years. The terms of service of lead reviewers for a given period of service shall be designed and operationalized in accordance with relevant decisions of the COP and the COP/MOP.

5. Ad hoc review experts

43. Ad hoc review experts shall be selected from those nominated by Parties or, exceptionally and only when the required expertise for the task is not available among them, from the relevant intergovernmental organizations belonging to the UNFCCC roster of experts for specific annual or periodic reviews by the secretariat. They shall perform individual review tasks in accordance with the duties set out in their nomination.

44. Ad hoc review experts shall, as necessary, perform desk review tasks in their home countries and participate in in-country visits, centralized reviews and in review meetings.

6. Guidance by the SBSTA

45. The SBSTA shall provide general guidance to the secretariat on the selection of experts and coordination of the expert review teams and to the expert review teams on the expert review process. The reports mentioned in paragraphs 35 and 40 (a) above are intended to provide the SBSTA with inputs for elaborating such guidance.

F. Reporting and publication

46. The expert review team shall, under its collective responsibility, produce the following review reports for each Party included in Annex I:

(a) For the initial review, a report on the review of the elements described in paragraph 12 (a) to 12 (d) above in accordance with parts II, III, IV and V of these guidelines;

(b) For the annual review, a status report after the initial check of the annual inventory and a final report on the annual review of the elements in paragraph 15 above in accordance with parts II, III, IV, V and VI of these guidelines;

(c) For the periodic review, a report on the review of the national communication in accordance with part VII of these guidelines.

47. Review reports for each Party included in Annex I shall follow a format and outline comparable to that set out in paragraph 48 below and shall include the specific elements described in parts II to VII of these guidelines.

48. All final review reports prepared by the expert review team, except for status reports, shall include the following elements:

(a) An introduction and summary;

(b) A description of the technical assessment of each of the elements reviewed according to the relevant sections on the scope of the review in parts II to VII of these guidelines, including:

(i) A description of any potential problems in, and factors influencing the fulfilment of, commitments identified during the review;

(ii) Any recommendations provided by the expert review team to solve the potential problems;

(iii) An assessment of any efforts by the Party included in Annex I to address any potential problems identified by the expert review team during the current review or during previous reviews that have not been corrected;

(iv) Any questions of implementation of the commitments under the Kyoto Protocol;

(c) Possible recommendations by the expert review team on the conduct of the review in subsequent years, including which parts may need to be considered in more depth;

(d) Information on any other issue of concern deemed relevant by the expert review team;

(e) The sources of information used in the formulation of the final report.

49. Following their completion, all final review reports, including status reports on initial checks on annual inventories, shall be published and forwarded by the secretariat, together with any written comments on the final review report by the Party which is subject of the report, to the COP/MOP, the Compliance Committee and the Party concerned.

PART II: REVIEW OF ANNUAL INVENTORIES

A. Purpose

50. The purpose of the review of annual inventories of Parties included in Annex I is:

(a) To provide an objective, consistent, transparent, thorough and comprehensive technical assessment of annual inventories of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol for conformity with the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories*[6] as elaborated by the Intergovernmental Panel on Climate Change (IPCC) report entitled *Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories*[7] and any good practice guidance adopted by the COP/MOP, and with section I of the guidelines for the preparation of the information required under Article 7;

(b) To assess if adjustments under Article 5, paragraph 2, may be needed and, if so, to calculate adjustments in accordance with relevant decisions of the COP/MOP relating to Article 5, paragraph 2, of the Kyoto Protocol;

(c) To ensure that the COP/MOP and the Compliance Committee have reliable information on the annual inventories of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol of each Party included in Annex I.

B. General procedures

51. The review should cover:

(a) The annual inventory, including the national inventory report and the common reporting format (CRF);

(b) Supplementary information under Article 7, paragraph 1, incorporated in the Party's national inventory according to section I.D, greenhouse gas inventory information, of the guidelines for the preparation of the information required under Article 7.

52. The annual inventory review shall consist of two elements:

(a) Initial check by the expert review team, with the assistance of the secretariat;

(b) Individual inventory review by the expert review team.

53. The individual inventory review shall occur in conjunction with the review of assigned amount, changes in national systems and changes in national registries as set out in part I of these guidelines.

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[6] In these guidelines, the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories* are referred to as the IPCC Guidelines.

[7] In these guidelines, the IPCC report entitled *Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories* is referred to as the IPCC good practice guidance.

54. The base year inventory shall be reviewed only once prior to the commitment period and adjusted if appropriate.

55. The annual inventory review should be conducted as a desk or centralized review. In addition, each Party included in Annex I shall be subject to at least one in-country visit by an expert review team during the commitment period as part of its annual review.

56. In-country visits should be scheduled, planned and take place with the consent of the Party included in Annex I subject to review.

57. In years when an in-country visit is not scheduled, an expert review team can request an in-country visit if it believes, based on the findings of the desk or centralized review, that such a visit is necessary to allow for fuller investigation of a potential problem that the team has identified, subject to the consent of the Party included in Annex I. The expert review team shall provide a rationale for the additional country visit and shall compile a list of questions and issues to be addressed during the in-country visit to be sent to the Party included in Annex I in advance of the visit. If such an in-country visit occurs, the expert review team may recommend that a pending scheduled in-country visit is not necessary.

58. If a Party included in Annex I fails to provide to the expert review team the data and information necessary for the assessment of conformity with the IPCC Guidelines as elaborated by the IPCC good practice guidance and any good practice guidance adopted by the COP/MOP, the expert review team shall assume that the estimate was not prepared in accordance with the IPCC Guidelines as elaborated by the IPCC good practice guidance and any good practice guidance adopted by the COP/MOP.

C. Initial checks of annual inventories

1. Scope of the review

59. The expert review team shall conduct an initial check as a desk or centralized review to examine that each Party included in Annex I has submitted a consistent, complete and timely annual inventory, including the national inventory report and the common reporting format (CRF), and that data contained in the CRF are complete by means of computerized analysis and checks and in the correct format to enable subsequent review stages to occur.

60. The initial check shall identify whether:

(a) The submission is complete and information has been provided in the correct format in accordance with reporting guidelines on annual inventories;

(b) All sources, sinks and gases included in the IPCC Guidelines and any good practice adopted by the COP/MOP are reported;

(c) Any gaps are explained by use of notation keys, such as NE (not estimated) and NA (not applicable), in the CRF and whether there is frequent use of these notation keys;

(d) Methodologies are documented with notations in the CRF;

(e) Estimates for carbon dioxide (CO_2) emissions from fossil fuel combustion are reported using the IPCC reference approach, in addition to estimates derived using national methods;

(f) Estimates for hydrofluorocarbon, perfluorocarbon and sulphur hexafluoride emissions are reported by individual chemical species;

(g) A Party included in Annex I has failed to submit an annual inventory or the national inventory report or the common reporting format by the due date, or within six weeks of the due date;

(h) A Party included in Annex I has failed to include an estimate for a source category (as defined in chapter 7 of the IPCC good practice guidance) that individually accounted for 7 per cent or more of the Party's aggregate emissions, defined as aggregate submitted emissions of the gases and from the sources listed in Annex A to the Kyoto Protocol, in the most recent of the Party's reviewed inventories in which the source was estimated.

(i) A Party included in Annex I has failed to provide the supplementary information in accordance with paragraphs 5 to 9 of the annex to decision –/CMP.1 (*Article 7*).

2. Timing[8]

61. The initial check for each Party included in Annex I shall be performed and a draft status report shall be completed within four weeks after the submission date of the annual inventory and sent to the Party for comment. A delay in the preparation of the draft status report shall not shorten the time available for the Party concerned to comment on the draft status report. The secretariat shall immediately notify the Party concerned of any omissions or technical format problems identified in the initial check.

62. Any information, corrections, additional information or comments on the draft status report received from the Party included in Annex I within six weeks of the submission due date shall be subject to an initial check and shall be covered in the final status report. A delay in the submission of the annual inventory shortens the time available for the Party concerned to comment on the draft status report.

63. The status report on the initial check for each Party included in Annex I shall be finalized within ten weeks from the submission due date to be used in the individual inventory review.

3. Reporting

64. The status report shall include:

(a) The date of receipt of the inventory submission by the secretariat;

(b) An indication whether the annual inventory, including the national inventory report and the CRF, has been submitted;

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[8] For the initial review, the time frames for the initial check may serve as an indication.

(c) An indication whether any source category or gas of a source category is missing and, if so, an indication of the magnitude of the likely emissions of that source category or gas, if possible relative to the last inventory for which the review has been completed;

(d) Identification of any inventory problems according to the categories listed in paragraphs 60 (g) to (i) above.

D. Individual inventory reviews

1. Scope of the review

65. The expert review team shall, *inter alia*:

(a) Examine application of the requirements of the IPCC Guidelines as elaborated by any IPCC good practice guidance adopted by the COP/MOP and the reporting guidelines on annual inventories and relevant decisions of the COP/MOP, and identify any departure from these requirements;

(b) Examine application of the reporting requirements of the section I.D of the guidelines for the preparation of information required under Article 7;

(c) Examine whether the IPCC good practice guidance and any other good practice guidance adopted by the COP/MOP was applied and documented, in particular noting the identification of key source categories, selection and use of methodologies and assumptions, development and selection of emission factors, collection and selection of activity data, reporting of consistent time-series, reporting of uncertainties related to inventory estimates and methodologies used for estimating those uncertainties and identify any inconsistencies;

(d) Compare emission or removal estimates, activity data, implied emission factors and any recalculations with data from previous submissions of the Party included in Annex I to identify any irregularities or inconsistencies;

(e) Compare the activity data of the Party included in Annex I with relevant external authoritative sources, if feasible, and identify sources where there are significant differences;

(f) Assess the consistency of information in the common reporting format with that in the national inventory report;

(g) Assess the extent to which issues and questions raised by expert review teams in previous reports have been addressed and resolved;

(h) Recommend possible ways for improving the estimation and the reporting of inventory information.

66. The expert review team may use relevant technical information in the review process, such as information from international organizations.

67. The secretariat shall, under the direction of the expert review team, conduct a standardized set of data comparisons to be performed on the electronic common reporting format submissions to be used in the review process.

2. Identification of problems

68. The individual inventory review shall identify any problems for which adjustments under Article 5, paragraph 2, would be appropriate and initiate procedures for calculation of adjustments.

69. Problems should be identified as a failure to follow agreed guidelines under Article 5, paragraph 2, in preparing greenhouse gas inventories, as a failure to follow section I of the guidelines for the preparation of the information required under Article 7, and as a failure to follow agreed methodologies for estimating and reporting activities under Article 3, paragraphs 3 and 4, as adopted by the COP/MOP. These may be further subdivided as problems of:

(a) Transparency, as defined in the UNFCCC reporting guidelines on annual inventories,[9] including:

(i) Inadequate documentation and description of methodologies, assumptions and recalculations;

(ii) Failure to disaggregate national activity data, emission factors and other factors used in national methods at the required level unless an issue of confidentiality exists;

(iii) Failure to provide justifications for recalculations, references and information sources for key factors and data;

(b) Consistency, as defined in the UNFCCC reporting guidelines on annual inventories, including failure to provide consistent time-series in accordance with the IPCC good practice guidance;

(c) Comparability, as defined in the UNFCCC reporting guidelines on annual inventories, including failure to use agreed reporting formats;

(d) Completeness, as defined in the UNFCCC reporting guidelines on annual inventories, including:

(i) Gaps in the inventory estimates for source categories or gases;

(ii) Inventory data that do not provide full geographic coverage of sources and sinks of a Party included in Annex I;

(iii) Failure to provide full coverage of sources in a source category;

(e) Accuracy, as defined in the UNFCCC reporting guidelines on annual inventories, including failure to provide estimates of uncertainty and address uncertainty through the application of the good practice guidance.

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[9] Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part I: UNFCCC reporting guidelines on annual inventories (document FCCC/CP/1999/7) or any subsequent revision of these guidelines by the COP.

70. The expert review team shall calculate:

(a) The percentage by which the aggregate adjusted greenhouse gas emissions for a Party included in Annex I exceed the aggregate submitted emissions, defined as aggregate submitted emissions of the gases and from the sources listed in Annex A to the Kyoto Protocol, for any single year;

(b) The sum of the numerical values of the percentages calculated in subparagraph (a) above for all years of the commitment period for which the review has been conducted.

71. The expert review team shall identify whether the same key source category as defined in chapter 7 of the IPCC good practice guidance was adjusted in previous reviews and, if so, the team shall indicate the number of reviews that identified and adjusted the problem previously and the percentage that the key source category contributes to the aggregate submitted emissions, defined as aggregate submitted emissions of the gases and from the sources listed in Annex A to the Kyoto Protocol.

3. Timing

72. The individual inventory review, including adjustment procedures, shall be concluded within one year of the due date of submission of the information to be reported under Article 7, paragraph 1.

73. The expert review team shall list all problems identified, indicating which would need an adjustment, and send this list to the Party included in Annex I no later than twenty-five weeks from the submission due date of the annual inventory, if the inventory was submitted at least six weeks after the submission due date.

74. The Party included in Annex I shall comment on these questions within six weeks and, where requested by the review team, may provide revised estimates.

75. The expert review team shall prepare a draft individual inventory review report, which includes, where appropriate, adjusted estimates calculated according to guidance under Article 5, paragraph 2, within eight weeks of the receipt of the comments on the questions posed and shall send the draft report to the Party concerned.

76. The Party included in Annex I shall be provided with four weeks to comment on the draft individual inventory review report and, where appropriate, on whether it accepts or rejects the adjustment.

77. The expert review team shall prepare a final individual inventory review report within four weeks of the receipt of the comments on the draft report.

78. If a Party included in Annex I, during the above steps, is able to comment earlier than in the time-frames given above, the Party concerned may use the time saved to comment on the revised final report. A total of four additional weeks to comment may be granted to Parties included in Annex I whose national language is not one of the United Nations official languages.

4. Procedures for adjustments under Article 5, paragraph 2

79. Adjustments referred to in Article 5, paragraph 2, of the Kyoto Protocol shall be applied only when inventory data submitted by Parties included in Annex I are found to be incomplete and/or are prepared in a way that is not consistent with the IPCC Guidelines as elaborated by the IPCC good practice guidance and any good practice guidance adopted by the COP/MOP.

80. The procedure for the calculation of adjustments shall be as follows:

(a) During the individual inventory review, the expert review team shall identify problems to which the criteria in the guidance for adjustments under Article 5, paragraph 2, apply. The expert review team shall officially notify the Party included in Annex I of the reason why an adjustment is considered necessary and provide advice on how the problem could be corrected;

(b) The adjustment procedure should only commence after the Party included in Annex I has had opportunities to correct a problem and if the expert review team finds that the Party included in Annex I has not adequately corrected the problem through the provision of an acceptable revised estimate, in accordance with the time frames set out in paragraphs 73 to 78 above;

(c) The expert review team shall calculate adjustments in accordance with any guidance under Article 5, paragraph 2, adopted by the COP/MOP, in consultation with the Party concerned and within the time frame set out in these guidelines;[10]

(d) The expert review team shall officially notify the Party concerned of the calculated adjustment(s) within the time frame set out in these guidelines. This notification shall describe the assumptions, data and methodologies used to calculate the adjustment(s), as well as the value of the adjustment(s);

(e) Within the time frame set out in these guidelines, the Party concerned shall notify the secretariat of its intention to accept or reject the adjustment(s), with its rationale. Failure to respond by this date shall be considered as acceptance of the adjustment(s), as follows:

(i) If the Party concerned accepts the adjustment(s), the adjustment(s) shall be applied for the purpose of compilation and accounting of emissions inventories and assigned amounts;

(ii) If the Party concerned disagrees with the proposed adjustment(s), it should send a notification to the expert review team, including its rationale, and the expert review team should send the notification along with its recommendation in its final report to the COP/MOP and the Compliance Committee, which will resolve the disagreement in accordance with the procedures and mechanisms on compliance.

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[10] Special arrangements in the composition of the expert review teams may be needed for the case where an adjustment needs to be calculated.

81. A Party included in Annex I may submit a revised estimate for a part of its inventory for a year of the commitment period to which an adjustment was previously applied, provided that the revised estimate is submitted, at the latest, in conjunction with the inventory for the year 2012.

82. Subject to a review under Article 8 and the acceptance of the revised estimate by the expert review team, the revised estimate shall replace the adjusted estimate. In the event of a disagreement between the Party included in Annex I and the expert review team regarding the revised estimate, the procedure set out in paragraph 80 (e) (ii) above shall be followed. The option for a Party included in Annex I to submit a revised estimate for a part of its inventory to which an adjustment was previously applied should not prevent Parties included in Annex I from making best efforts to correct the problem at the time it was initially identified and in accordance with the time frame set forth in the guidelines for review under Article 8.

5. Reporting

83. The following specific elements shall be included in the reports referred to in paragraphs 46 (a) and (b) above:

(a) A summary of the results of the inventory review, including a description of emission trends, key sources and methodologies and a general assessment of the inventory;

(b) Identification of any inventory problems according to the categories listed in paragraph 69 above and a description of factors influencing the fulfilment of the inventory-related obligations of the Party included in Annex I ;

(c) Information on adjustments, if applicable, including, *inter alia*,

(i) The original estimate, if applicable;

(ii) The underlying problem;

(iii) The adjusted estimate;

(iv) The rationale for the adjustment;

(v) The assumptions, data and methodology used to calculate the adjustment;

(vi) A description of how the adjustment is conservative;

(vii) The expert review team's identification of possible ways for the Party included in Annex I to address the underlying problem;

(viii) The magnitude of the numerical values related to an adjusted problem as identified under paragraph 70 above;

(ix) Recurrence of adjustments as identified under paragraph 71 above;

(x) An indication whether the adjustment was agreed upon by the Party included in Annex I and the expert review team.

PART III: REVIEW OF INFORMATION ON ASSIGNED AMOUNTS PURSUANT TO ARTICLE 3, PARAGRAPHS 7 AND 8, EMISSION REDUCTION UNITS, CERTIFIED EMISSION REDUCTIONS, ASSIGNED AMOUNT UNITS AND REMOVAL UNITS

[Text to be incorporated in accordance with paragraph 13 of decision 23/CP.7]

PART IV: REVIEW OF NATIONAL SYSTEMS

A. Purpose

84. The purpose of the review of national systems is:

(a) To provide a thorough and comprehensive technical assessment of the capacity of a national system and the adequacy of its institutional, legal and procedural arrangements to produce an inventory of anthropogenic emissions by sources and removals by sinks in conformity with Article 5, paragraph 2;

(b) To assess the extent to which the guidelines for national systems under Article 5, paragraph 1, have been adhered to, and to assist Parties included in Annex I in meeting their commitments under Article 5, paragraph 1;

(c) To provide the COP/MOP and the Compliance Committee with reliable information on national systems established under Article 5, paragraph 1.

B. General procedures

85. The review of national systems shall take place in two parts:

(a) A thorough review of the national system, as part of the review prior to the commitment period and its in-country visit;

(b) A desk or centralized review of any reported changes in the national system reported since the first thorough review, conducted in conjunction with the annual inventory review.

86. The review of national systems shall be conducted, as appropriate, through interviews with personnel involved in inventory planning, preparation and management, and through examination of relevant records and documentation, including use of the inventory CRF and preparation of the national inventory report.

87. Based on any findings during the individual inventory review and on findings related to reported changes in national systems considered by the expert review team to be potentially significant in relation to an identified problem in the inventory of the Party included in Annex , the expert review team may request an additional country visit to review the relevant components of the national system in conjunction with an in-country inventory review.

C. Scope of the review

1. In-country review

88. The expert review team shall conduct a thorough and comprehensive review of the national system of each Party included in Annex I. The review of national systems should cover:

(a) Activities undertaken by the Party included in Annex I to implement, and performance of, the general functions described in paragraph 10 of the guidelines for national systems,[11] and the specific functions related to inventory planning, preparation and management in accordance with paragraphs 12 to 17 of those guidelines;

(b) Reported and archived information on national systems in accordance with guidelines under Article 5, paragraph 1, and Article 7, including plans and internal documentation related to the functions mentioned in subparagraph (a) above.

2. Review of changes in national systems

89. Any significant changes in the functions of the national systems reported by Parties included in Annex I or identified by the expert review team during the in-country visit that may affect the preparation of greenhouse gas inventories in conformity with Article 5, paragraph 2, and the guidelines for national systems should be reviewed annually in conjunction with the annual inventory review. The scope of such a review shall follow the scope set out for the in-country review according to paragraph 88 above.

3. Identification of problems

90. The expert review team shall assess whether the Party included in Annex I has established and maintained the specific inventory planning components covered in paragraph 12 of the guidelines for national systems, on the basis of a review of the information provided on the national system under Article 7 and any additional information gathered.

91. The expert review team shall assess whether the Party included in Annex I has completed the inventory preparation components covered in paragraph 14 (a) and (d) of the guidelines for national systems, on the basis of the review of the information provided on the national system under Article 7 and any additional information gathered.

92. The expert review team shall assess whether the inventory preparation components covered in paragraph 14 (c), (e) and (g) of the guidelines for national systems are functioning adequately, on the basis of an assessment of the most recent annual inventory, its consistency with good practice, and any additional information gathered.

93. The expert review team shall assess whether the Party included in Annex I has archived inventory information according to the provisions of paragraphs 16 and 17 of the guidelines for

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[11] The guidelines for national systems for the estimation of anthropogenic greenhouse gas emissions by sources and removals by sinks under Article 5, paragraph 1, of the Kyoto Protocol are referred to as "guidelines for national systems" in the present annex. The full text of the guidelines can be found attached to decision 20/CP.7.

national systems as part of its inventory management. The expert review team shall assess whether the archiving is functioning adequately on the basis of an assessment of:

(a) The completeness of archived information for a sample of source categories as chosen by the expert review teams, including key source categories, as defined in accordance with IPCC good practice guidelines;

(b) The ability of the Party included in Annex I to respond in a timely manner to requests for clarifying inventory information resulting from the different stages of the review process of the most recent inventory.

94. Based on the assessment carried out in accordance with paragraphs 90 to 93 above, expert review teams shall identify any potential problems in, and factors influencing, the fulfilment of commitments related to the functions of national systems according to paragraphs 10, 12, 14 and 16 of the guidelines for national systems. In addition, the expert review teams shall recommend how deficiencies of functions described in paragraphs 13, 15 and 17 of the guidelines for national systems could be improved. These provisions shall apply to both in-country reviews and reviews of changes in national systems.

D. Timing

95. During the process of in-country visit, the expert review team shall list all problems identified, and notify the Party included in Annex I no later than six weeks after the country visit on the problems identified. The Party included in Annex I shall comment on these problems not later than within six weeks. The expert review team shall prepare a draft of a review report on the national system, within six weeks of the receipt of the comments on the questions posed. Any corrections, additional information or comments on the draft report received from the Party included in Annex I within four weeks after the report has been sent to the Party included in Annex I shall be subject to review and shall be included in the final inventory review report. The expert review team shall prepare a final report on the review of the national system within four weeks of the receipt of the comments on the draft report. The review of national systems shall be concluded within one year of the date of submission of the information.

96. The process of review of changes in national systems shall follow the timetable for the review of annual inventories defined in part II of these guidelines. If either the annual inventory review or the review of changes in national systems recommend an in-depth review of national systems, the process of inventory review of national systems should be conducted together with the following in-country review either of the annual inventory or of the periodic national communication whichever is earlier.

E. Reporting

97. The following specific elements shall be included in the reports referred to in paragraph 46 (a) and (b) above:

(a) An evaluation of the overall organization of the national system, including a discussion of the effectiveness and reliability of the institutional, procedural and legal arrangements for estimating greenhouse gas emissions;

(b) A technical assessment of the performance of each of the national system functions defined in paragraphs 10 to 17 of the guidelines for national systems, including an assessment of the system's strengths and weaknesses;

(c) Any recommendations by the review team for further improvement of the national system of the Party included in Annex I.

PART V: REVIEW OF NATIONAL REGISTRIES

[Text to be incorporated in accordance with paragraph 13, decision 23/CP.7]

PART VI: REVIEW OF INFORMATION ON THE MINIMIZATION OF ADVERSE IMPACTS IN ACCORDANCE WITH ARTICLE 3, PARAGRAPH 14

A. Purpose

98. The purpose of the review of information of each Party included in Annex I in relation to Article 3, paragraph 14, is:

(a) To provide a thorough objective and comprehensive technical assessment of the information submitted relating to how the Party included in Annex I is striving to implement its commitments under Article 3, paragraph 14;

(b) To assess trends and the extent to which the Party included in Annex I is striving to implement action to minimize adverse impacts on developing countries in accordance to Article 3, paragraph 14, and taking into account any relevant decisions by the COP and with the COP/MOP;

(c) To assist Parties included in Annex I to improve their reporting of information under Article 3, paragraph 14;

(d) To ensure that the COP/MOP and the Compliance Committee have reliable information on the review of minimization of adverse impacts in accordance with Article 3, paragraph 14.

B. General procedures

99. The review of the information on the minimization of adverse impacts in accordance with Article 13, paragraph 14, shall take place in two parts:

(a) An annual desk or centralized review of additional information submitted by Parties included in Annex I, conducted in conjunction with the annual inventory review;

(b) A thorough and comprehensive review through in-country visits, conducted in conjunction with the review of national communications.

C. Scope of the review

1. Annual review

100. The expert review team shall, inter alia:

(a) Check whether the Party included in Annex I submitted the supplementary information in accordance with paragraphs 12 and 14 of the annex to decision -/CMP.1 *(Article 7)* on action relating to the minimization of adverse effects under Article 3, paragraph 14;

(b) For the first year that the Party included in Annex I provides the information mentioned in subparagraph (a) above, conduct a desk or centralized review to assess whether each Party included in Annex I has submitted consistent, complete and timely information. For subsequent years, conduct a desk or centralized review to assess whether Parties included in Annex I have submitted information on any changes that have occurred, compared with the information reported in its last submission;

(c) Notify the Party concerned of any questions the team has regarding information on actions relating to minimization of adverse effects under Article 3, paragraph 14, and relevant decisions of the COP and the COP/MOP;

(d) Assess the extent to which issues and questions raised by previous reports have been addressed and resolved;

(e) Recommend possible ways to improve the reporting of information, including possible recommendations to the workshop on reporting methodologies mentioned in decision 9/CP.7.

2. In-country visit

101. Each Party included in Annex I shall be subject to at least one in-country visit by an expert review team during the commitment period in conjunction with the review of the national communication.

102. The in-country review shall provide a detailed examination of supplementary information incorporated in the annual inventory, in accordance with paragraphs 12 and 14 of the annex to decision -/CMP.1 *(Article 7)* compiled by the secretariat and reviewed in paragraph 101 above for all years since the initial review.

103. Based on the assessment carried out in accordance with paragraphs 100 and 101 above, expert review teams shall identify any potential problems in, and factors influencing, the fulfilment of commitments under Article 3, paragraph 14, and relevant decisions of the COP and the COP/MOP.

3. Identification of problems

104. The problems identified during the assessment related to the supplementary information reported in accordance with paragraphs 12 and 14 of the annex to decision -/CMP.1 *(Article 7)* shall be identified as relating to:

(a) Transparency;

(b) Completeness;

(c) Timeliness.

105. Failure to submit supplementary information reported in accordance with paragraphs 12 and 14 of the annex to decision -/CMP.1 *(Article 7)* shall be considered as a potential problem.

D. Timing

106. The process of the in-country review shall follow the timetable for the review of the national communication of the Party included in Annex I defined in part VII of these guidelines. The annual review process shall follow the timetable for the review of annual inventories defined in part II of these guidelines. The preparation of the reports should also follow these respective timetables.

E. Reporting

107. The following specific elements shall be included in the report referred to in paragraph 46 (a) and (b) above:

(a) A technical assessment of the elements specified in paragraphs 100 and 102 above;

(b) An identification of problems in accordance with paragraphs 104 and 105 above;

(c) Any recommendations by the review team for further improvement of reporting by a Party included in Annex I.

PART VII: REVIEW OF NATIONAL COMMUNICATIONS AND INFORMATION ON OTHER COMMITMENTS UNDER THE KYOTO PROTOCOL

A. Purpose

108. The purpose of the guidelines on the review of national communications of Parties included in Annex I, including information reported under Article 7, paragraph 2, is:

(a) To provide a thorough and comprehensive technical assessment of national communications and information reported under Article 7, paragraph 2, of the Kyoto Protocol;

(b) To examine in an objective and transparent manner whether quantitative and qualitative information was submitted by Parties included in Annex I in accordance with section II of the guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol;

(c) To promote consistency in the review of the information contained in the national communications of Parties included in Annex I, including information reported under Article 7, paragraph 2;

(d) To assist Parties included in Annex I to improve reporting of information under Article 7, paragraph 2, and the implementation of their commitments under the Protocol;

(e) To ensure that the COP/MOP and the Compliance Committee have reliable information on the implementation of commitments under the Kyoto Protocol by each Party included in Annex I.

B. General procedures

109. Supplementary information under Article 7, paragraph 2, shall be incorporated into the national communications and shall be reviewed as part of the review of the communications. Each national communication submitted under the Kyoto Protocol by a Party included in Annex I shall be subject to a scheduled in-country periodic review.

110. Prior to the in-country visit, the expert review team shall conduct a desk or centralized review of the national communication of the Party included in Annex I. The review team shall notify the Party concerned of any questions the team has regarding the national communication and of any focal areas for the in-country visit.

C. Scope of the review

111. The review of the national communication shall also cover supplementary information reported under Article 7, paragraph 2.

112. The individual review shall:

(a) Provide an assessment of the completeness of the national communication, including supplementary information reported under Article 7, paragraph 2, in accordance with the reporting requirements under Article 7, paragraph 2, and an indication of whether it was submitted on time;

(b) Provide a detailed examination of each part of the national communication, as well as procedures and methodologies used in the preparation of the information, such as:

(i) National circumstances relevant to greenhouse gas emissions and removals;

(ii) Policies and measures;

(iii) Projections and the total effect of policies and measures;

(iv) Vulnerability assessment, climate change impacts and adaptation measures;

(v) Financial resources;

(vi) Transfer of technology;

(vii) Research and systematic observation;[12]

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[12] Information provided under this heading includes a summary of the information provided on global climate observation systems.

(viii) Education, training and public awareness;

(c) Provide a detailed examination of supplementary information provided under Article 7, paragraph 2:

(i) Supplementarity relating to the mechanisms pursuant to Articles 6, 12 and 17;

(ii) Policies and measures in accordance with Article 2;

(iii) Domestic and regional programmes and/or legislative arrangements and enforcement and administrative procedures;

(iv) Information under Article 10;

(v) Financial resources;

(d) Identify any potential problems in and factors influencing, the fulfilment of commitments related to each part of the national communication and to the reporting of supplementary information under Article 7, paragraph 2.

113. All common elements in paragraph 112 (b) and (c) above are to be reviewed in conjunction.

Identification of problems

114. The problems identified during the assessment related to individual sections of the national communication, including supplementary information reported under Article 7, paragraph 2, shall be identified as relating to:

(a) Transparency;

(b) Completeness;

(c) Timeliness.

115. Failure to submit any section of the national communication shall be considered as a potential problem.

D. Timing

116. If a Party included in Annex I expects difficulties with the timeliness of its national communication submission, it should inform the secretariat before the due date of the submission. If the national communication is not submitted within six weeks after the due date, the delay shall be brought to the attention of the COP/MOP and the Compliance Committee and made public.

117. The expert review teams shall make every effort to complete the individual review of national communications within two years of the national communication submission for each Party included in Annex I.

118. If additional information is requested during the in-country visit, it should be provided by the Party included in Annex I within six weeks after the visit.

119. The expert review team for each Party included in Annex I shall, under its collective responsibility, produce a draft of the national communication review report following the format below to be finalized within eight weeks after the in-country visit.

120. The draft of each national communication review report will be sent to the Party included in Annex I subject to review for comment. The Party concerned shall be provided with four weeks of receipt of the draft report to provide comments on it.

121. The expert review team shall produce the finalized national communication review report taking into account the comments of the Party included in Annex I within four weeks of receipt of the comments.

E. Reporting

122. The following specific elements shall be included in the report referred to in paragraph 46 (c) above:

(a) A technical assessment of the elements specified in paragraph 112 (b) and (c) above;

(b) An identification of problems in accordance with paragraphs 114 and 115 above.

123. The secretariat shall produce a report on the compilation and synthesis of national communications for all Parties included in Annex I in accordance with the decisions of the COP/MOP.

Decision 24/CP.7

Procedures and mechanisms relating to compliance under the Kyoto Protocol

The Conference of the Parties,

Recalling its decisions 8/CP.4, 15/CP.5, and 5/CP.6 containing the Bonn Agreements on the implementation of the Buenos Aires Plan of Action,

Recalling Article 18 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change,

Noting with appreciation the work done by the Joint Working Group on Compliance on the development of procedures and mechanisms relating to compliance under the Kyoto Protocol,

Recognizing the need to prepare for the early entry into force of the Kyoto Protocol,

Also recognizing the need to prepare for the timely operation of the procedures and mechanisms relating to compliance under the Kyoto Protocol,

Recognizing that the present decision respects the agreement reached at the Conference of the Parties, at the second part of its sixth session, as reflected in section VIII of decision 5/CP.6,

Noting that it is the prerogative of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol to decide on the legal form of the procedures and mechanisms relating to compliance,

1. *Decides* to adopt the text containing the procedures and mechanisms relating to compliance under the Kyoto Protocol annexed hereto;

2. *Recommends* that the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol, at its first session, adopt the procedures and mechanisms relating to compliance annexed hereto in terms of Article 18 of the Kyoto Protocol.

8th plenary meeting
10 November 2001

ANNEX

Procedures and mechanisms relating to compliance under the Kyoto Protocol

In pursuit of the ultimate objective of the United Nations Framework Convention on Climate Change, hereinafter referred to as "the Convention", as stated in its Article 2,

Recalling the provisions of the United Nations Framework Convention on Climate Change, and the Kyoto Protocol to the Convention, herein after referred to as "the Protocol",

Being guided by Article 3 of the Convention,

Pursuant to the mandate adopted in decision 8/CP.4 by the Conference of the Parties at its fourth session,

The following procedures and mechanisms *have been adopted*:

I. OBJECTIVE

The objective of these procedures and mechanisms is to facilitate, promote and enforce compliance with the commitments under the Protocol.

II. COMPLIANCE COMMITTEE

1. A compliance committee, hereinafter referred to as "the Committee", is hereby established.

2. The Committee shall function through a plenary, a bureau and two branches, namely, the facilitative branch and the enforcement branch.

3. The Committee shall consist of twenty members elected by the Conference of the Parties serving as the meeting of the Parties to the Protocol, ten of whom are to be elected to serve in the facilitative branch and ten to be elected to serve in the enforcement branch.

4. Each branch shall elect, from among its members and for a term of two years, a chairperson and a vice-chairperson, one of whom shall be from a Party included in Annex I and one from a Party not included in Annex I. These persons shall constitute the bureau of the Committee. The chairing of each branch shall rotate between Parties included in Annex I and Parties not included in Annex I in such a manner that at any time one chairperson shall be from among the Parties included in Annex I and the other chairperson shall be from among the Parties not included in Annex I.

5. For each member of the Committee, the Conference of the Parties serving as the meeting of the Parties to the Protocol shall elect an alternate member.

6. Members of the Committee and their alternates shall serve in their individual capacities. They shall have recognized competence relating to climate change and in relevant fields such as the scientific, technical, socio-economic or legal fields.

7. The facilitative branch and the enforcement branch shall interact and cooperate in their functioning and, as necessary, on a case-by-case basis, the bureau of the Committee may designate one or more members of one branch to contribute to the work of the other branch on a non-voting basis.

8. The adoption of decisions by the Committee shall require a quorum of at least three fourths of the members to be present.

9. The Committee shall make every effort to reach agreement on any decisions by consensus. If all efforts at reaching consensus have been exhausted, the decisions shall as a last resort be adopted by a majority of at least three fourths of the members present and voting. In addition, the adoption of decisions by the enforcement branch shall require a majority of members from Parties included in Annex I present and voting, as well as a majority of members from Parties not included in Annex I present and voting. "Members present and voting" means members present and casting an affirmative or a negative vote.

10. The Committee shall, unless it decides otherwise, meet at least twice each year, taking into account the desirability of holding such meetings in conjunction with the meetings of the subsidiary bodies under the Convention.

11. The Committee shall take into account any degree of flexibility allowed by the Conference of the Parties serving as the meeting of the Parties to the Protocol, pursuant to Article 3, paragraph 6, of the Protocol and taking into account Article 4, paragraph 6, of the Convention, to the Parties included in Annex I undergoing the process of transition to a market economy.

III. PLENARY OF THE COMMITTEE

1. The plenary shall consist of the members of the facilitative branch and the enforcement branch. The chairpersons of the two branches shall be the co-chairpersons of the plenary.

2. The functions of the plenary shall be:

(a) To report on the activities of the Committee, including a list of decisions taken by the branches, to each ordinary session of the Conference of the Parties serving as the meeting of the Parties to the Protocol;

(b) To apply the general policy guidance referred to in section XII (c) below, received from the Conference of the Parties serving as the meeting of the Parties to the Protocol;

(c) To submit proposals on administrative and budgetary matters to the Conference of the Parties serving as the meeting of the Parties to the Protocol for the effective functioning of the Committee;

(d) To develop any further rules of procedure that may be needed, including rules on confidentiality, conflict of interest, submission of information by intergovernmental and non-governmental organizations, and translation, for adoption by the Conference of the Parties serving as the meeting of the Parties to the Protocol by consensus; and

(e) To perform such other functions as may be requested by the Conference of the Parties serving as the meeting of the Parties to the Protocol for the effective functioning of the Committee.

IV. FACILITATIVE BRANCH

1. The facilitative branch shall be composed of:

(a) One member from each of the five regional groups of the United Nations and one member from the small island developing States, taking into account the interest groups as reflected by the current practice in the Bureau of the Conference of the Parties;

(b) Two members from Parties included in Annex I; and

(c) Two members from Parties not included in Annex I.

2. The Conference of the Parties serving as the meeting of the Parties to the Protocol shall elect five members for a term of two years and five members for a term of four years. Each time thereafter, the Conference of the Parties serving as the meeting of the Parties to the Protocol shall elect five new members for a term of four years. Members shall not serve for more than two consecutive terms.

3. In electing the members of the facilitative branch, the Conference of the Parties serving as the meeting of the Parties to the Protocol shall seek to reflect competences in a balanced manner in the fields referred to in section II, paragraph 6, above.

4. The facilitative branch shall be responsible for providing advice and facilitation to Parties in implementing the Protocol, and for promoting compliance by Parties with their commitments under the Protocol, taking into account the principle of common but differentiated responsibilities and respective capabilities as contained in Article 3, paragraph 1, of the Convention. It shall also take into account the circumstances pertaining to the questions before it.

5. Within its overall mandate, as specified in paragraph 4 above, and falling outside the mandate of the enforcement branch, as specified in section V, paragraph 4, below, the facilitative branch shall be responsible for addressing questions of implementation:

(a) Relating to Article 3, paragraph 14, of the Protocol, including questions of implementation arising from the consideration of information on how a Party included in Annex I is striving to implement Article 3, paragraph 14, of the Protocol; and

(b) With respect to the provision of information on the use by a Party included in Annex I of Articles 6, 12 and 17 of the Protocol as supplemental to its domestic action, taking into account any reporting under Article 3, paragraph 2, of the Protocol.

6. With the aim of promoting compliance and providing for early warning of potential non-compliance, the facilitative branch shall be further responsible for providing advice and facilitation for compliance with:

(a) Commitments under Article 3, paragraph 1, of the Protocol, prior to the beginning of the relevant commitment period and during that commitment period;

(b) Commitments under Article 5, paragraphs 1 and 2, of the Protocol, prior to the beginning of the first commitment period; and

(c) Commitments under Article 7, paragraphs 1 and 4, of the Protocol prior to the beginning of the first commitment period.

7. The facilitative branch shall be responsible for applying the consequences set out in section XIV below.

V. ENFORCEMENT BRANCH

1. The enforcement branch shall be composed of:

(a) One member from each of the five regional groups of the United Nations and one member from the small island developing States, taking into account the interest groups as reflected by the current practice in the Bureau of the Conference of the Parties;

(b) Two members from Parties included in Annex I; and

(c) Two members from Parties not included in Annex I.

2. The Conference of the Parties serving as the meeting of the Parties to the Protocol shall elect five members for a term of two years and five members for a term of four years. Each time thereafter, the Conference of the Parties serving as the meeting of the Parties to the Protocol shall elect five new members for a term of four years. Members shall not serve for more than two consecutive terms.

3. In electing the members of the enforcement branch, the Conference of the Parties serving as the meeting of the Parties to the Protocol shall be satisfied that the members have legal experience.

4. The enforcement branch shall be responsible for determining whether a Party included in Annex I is not in compliance with:

(a) Its quantified emission limitation or reduction commitment under Article 3, paragraph 1, of the Protocol;

(b) The methodological and reporting requirements under Article 5, paragraphs 1 and 2, and Article 7, paragraphs 1 and 4, of the Protocol; and

(c) The eligibility requirements under Articles 6, 12 and 17 of the Protocol.

5. The enforcement branch shall also determine whether to apply:

(a) Adjustments to inventories under Article 5, paragraph 2, of the Protocol, in the event of a disagreement between an expert review team under Article 8 of the Protocol and the Party involved; and

(b) A correction to the compilation and accounting database for the accounting of assigned amounts under Article 7, paragraph 4, of the Protocol, in the event of a disagreement between an expert review team under Article 8 of the Protocol and the Party involved concerning the validity of a transaction or such Party's failure to take corrective action.

6. The enforcement branch shall be responsible for applying the consequences set out in section XV below for the cases of non-compliance mentioned in paragraph 4 above. The consequences of non-compliance with Article 3, paragraph 1, of the Protocol to be applied by the enforcement branch shall be aimed at the restoration of compliance to ensure environmental integrity, and shall provide for an incentive to comply.

VI. SUBMISSIONS

1. The Committee shall receive, through the secretariat, questions of implementation indicated in reports of expert review teams under Article 8 of the Protocol, together with any written comments by the Party which is subject to the report, or questions of implementation submitted by:

(a) Any Party with respect to itself; or

(b) Any Party with respect to another Party, supported by corroborating information.

2. The secretariat shall forthwith make available to the Party in respect of which the question of implementation is raised, hereinafter referred to as "the Party concerned", any question of implementation submitted under paragraph 1 above.

3. In addition to the reports referred to in paragraph 1 above, the Committee shall also receive, through the secretariat, other final reports of expert review teams.

VII. ALLOCATION AND PRELIMINARY EXAMINATION

1. The bureau of the Committee shall allocate questions of implementation to the appropriate branch in accordance with the mandates of each branch set out in section IV, paragraphs 4-7, and Section V, paragraphs 4-6.

2. The relevant branch shall undertake a preliminary examination of questions of implementation to ensure that, except in the case of a question raised by a Party with respect to itself, the question before it:

(a) Is supported by sufficient information;

(b) Is not *de minimis* or ill-founded; and

(c) Is based on the requirements of the Protocol.

3. The preliminary examination of questions of implementation shall be completed within three weeks from the date of receipt of these questions by the relevant branch.

4. After the preliminary examination of questions of implementation, the Party concerned shall, through the secretariat, be notified in writing of the decision and, in the event of a decision

to proceed, be provided with a statement identifying the question of implementation, the information on which the question is based and the branch that will consider the question.

5. In the event of the review of eligibility requirements for a Party included in Annex I under Articles 6, 12 and 17 of the Protocol, the enforcement branch shall also, through the secretariat, notify forthwith the Party concerned, in writing, of the decision not to proceed with questions of implementation relating to eligibility requirements under those articles.

6. Any decision not to proceed shall be made available by the secretariat to other Parties and to the public.

7. The Party concerned shall be given an opportunity to comment in writing on all information relevant to the question of implementation and the decision to proceed.

VIII. GENERAL PROCEDURES

1. Following the preliminary examination of questions of implementation, the procedures set out in this section shall apply to the Committee, except where otherwise provided in these procedures and mechanisms.

2. The Party concerned shall be entitled to designate one or more persons to represent it during the consideration of the question of implementation by the relevant branch. This Party shall not be present during the elaboration and adoption of a decision of the branch.

3. Each branch shall base its deliberations on any relevant information provided by:

(a) Reports of the expert review teams under Article 8 of the Protocol;

(b) The Party concerned;

(c) The Party that has submitted a question of implementation with respect to another Party;

(d) Reports of the Conference of the Parties, the Conference of the Parties serving as the meeting of the Parties to the Protocol, and the subsidiary bodies under the Convention and the Protocol; and

(e) The other branch.

4. Competent intergovernmental and non-governmental organizations may submit relevant factual and technical information to the relevant branch.

5. Each branch may seek expert advice.

6. Any information considered by the relevant branch shall be made available to the Party concerned. The branch shall indicate to the Party concerned which parts of this information it has considered. The Party concerned shall be given an opportunity to comment in writing on such information. Subject to any rules relating to confidentiality, the information considered by the branch shall also be made available to the public, unless the branch decides, of its own accord

or at the request of the Party concerned, that information provided by the Party concerned shall not be made available to the public until its decision has become final.

7. Decisions shall include conclusions and reasons. The relevant branch shall forthwith, through the secretariat, notify the Party concerned in writing of its decision, including conclusions and reasons therefor. The secretariat shall make final decisions available to other Parties and to the public.

8. The Party concerned shall be given an opportunity to comment in writing on any decision of the relevant branch.

9. If the Party concerned so requests, any question of implementation submitted under section VI, paragraph 1; any notification under section VII, paragraph 4; any information under paragraph 3 above; and any decision of the relevant branch, including conclusions and reasons therefor, shall be translated into one of the six official languages of the United Nations.

IX. PROCEDURES FOR THE ENFORCEMENT BRANCH

1. Within ten weeks from the date of receipt of the notification under section VII, paragraph 4, the Party concerned may make a written submission to the enforcement branch, including rebuttal of information submitted to the branch.

2. If so requested in writing by the Party concerned within ten weeks from the date of receipt of the notification under section VII, paragraph 4, the enforcement branch shall hold a hearing at which the Party concerned shall have the opportunity to present its views. The hearing shall take place within four weeks from the date of receipt of the request or of the written submission under paragraph 1 above, whichever is the later. The Party concerned may present expert testimony or opinion at the hearing. Such a hearing shall be held in public, unless the enforcement branch decides, of its own accord or at the request of the Party concerned, that part or all of the hearing shall take place in private.

3. The enforcement branch may put questions to and seek clarification from the Party concerned, either in the course of such a hearing or at any time in writing, and the Party concerned shall provide a response within six weeks thereafter.

4. Within four weeks from the date of receipt of the written submission of the Party concerned under paragraph 1 above, or within four weeks from the date of any hearing pursuant to paragraph 2 above, or within fourteen weeks from the notification under section VII, paragraph 4, if the Party has not provided a written submission, whichever is the latest, the enforcement branch shall:

(a) Adopt a preliminary finding that the Party concerned is not in compliance with commitments under one or more of the articles of the Protocol referred to in section V, paragraph 4; or

(b) Otherwise determine not to proceed further with the question.

5. The preliminary finding, or the decision not to proceed, shall include conclusions and reasons therefor.

6. The enforcement branch shall forthwith, through the secretariat, notify the Party concerned in writing of its preliminary finding or decision not to proceed. The secretariat shall make the decision not to proceed available to the other Parties and to the public.

7. Within ten weeks from the date of receipt of the notification of the preliminary finding, the Party concerned may provide a further written submission to the enforcement branch. If the Party concerned does not do so within that period of time, the enforcement branch shall forthwith adopt a final decision confirming its preliminary finding.

8. If the Party concerned provides a further written submission, the enforcement branch shall, within four weeks from the date it received the further submission, consider it and adopt a final decision, indicating whether the preliminary finding, as a whole or any part of it to be specified, is confirmed.

9. The final decision shall include conclusions and reasons therefor.

10. The enforcement branch shall forthwith, through the secretariat, notify the Party concerned in writing of its final decision. The secretariat shall make the final decision available to the other Parties and to the public.

11. The enforcement branch, when the circumstances of an individual case so warrant, may extend any time frames provided for in this section.

12. Where appropriate, the enforcement branch may, at any time, refer a question of implementation to the facilitative branch for consideration.

X. EXPEDITED PROCEDURES FOR THE ENFORCEMENT BRANCH

1. Where a question of implementation relates to eligibility requirements under Articles 6, 12 and 17 of the Protocol, sections VII to IX shall apply, except that:

(a) The preliminary examination referred to in section VII, paragraph 2, shall be completed within two weeks from the date of receipt of the question of implementation by the enforcement branch;

(b) The Party concerned may make a written submission within four weeks from the date of receipt of the notification under section VII, paragraph 4;

(c) If so requested in writing by the Party concerned within two weeks from the date of receipt of the notification under section VII, paragraph 4, the enforcement branch shall hold a hearing as referred to in section IX, paragraph 2, that shall take place within two weeks from the date of receipt of the request or of the written submission under subparagraph (b) above, whichever is the later;

(d) The enforcement branch shall adopt its preliminary finding or a decision not to proceed within six weeks of the notification under section VII, paragraph 4, or within two weeks of a hearing under section IX, paragraph 2, whichever is the shorter;

(e) The Party concerned may make a further written submission within four weeks from the date of receipt of the notification referred to in section IX, paragraph 6;

(f) The enforcement branch shall adopt its final decision within two weeks from the date of receipt of any further written submission referred to in section IX, paragraph 7; and

(g) The periods of time stipulated in section IX shall apply only if, in the opinion of the enforcement branch, they do not interfere with the adoption of decisions in accordance with subparagraphs (d) and (f) above.

2. Where the eligibility of a Party included in Annex I under Articles 6, 12 and 17 of the Protocol has been suspended under section XV, paragraph 4, the Party concerned may submit a request to reinstate its eligibility, either through an expert review team or directly to the enforcement branch. If the enforcement branch receives a report from the expert review team indicating that there is no longer a question of implementation with respect to the eligibility of the Party concerned, it shall reinstate that Party's eligibility, unless the enforcement branch considers that there continues to be such a question of implementation, in which case the procedure referred to in paragraph 1 above shall apply. In response to a request submitted to it directly by the Party concerned, the enforcement branch shall decide as soon as possible, either that there no longer continues to be a question of implementation with respect to that Party's eligibility in which case it shall reinstate that Party's eligibility, or that the procedure referred to in paragraph 1 above shall apply.

3. Where the eligibility of a Party to make transfers under Article 17 of the Protocol has been suspended under section XV, paragraph 5 (c), the Party may request the enforcement branch to reinstate that eligibility. On the basis of the compliance action plan submitted by the Party in accordance with section XV, paragraph 6, and any progress reports submitted by the Party including information on its emissions trends, the enforcement branch shall reinstate that eligibility, unless it determines that the Party has not demonstrated that it will meet its quantified emission limitation or reduction commitment in the commitment period subsequent to the one for which the Party was determined to be in non-compliance, hereinafter referred to as "the subsequent commitment period". The enforcement branch shall apply the procedure referred to in paragraph 1 above, adapted insofar as necessary for the purposes of the procedure in the present paragraph.

4. Where the eligibility of a Party to make transfers under Article 17 of the Protocol has been suspended under section XV, paragraph 5 (c), the enforcement branch shall reinstate that eligibility forthwith if the Party demonstrates that it has met its quantified emission limitation or reduction commitment in the subsequent commitment period, either through the report of the expert review team under Article 8 of the Protocol for the final year of the subsequent commitment period or through a decision of the enforcement branch.

5. In the event of a disagreement whether to apply adjustments to inventories under Article 5, paragraph 2, of the Protocol, or whether to apply a correction to the compilation and accounting database for the accounting of assigned amounts under Article 7, paragraph 4, of the Protocol, the enforcement branch shall decide on the matter within twelve weeks of being

informed in writing of such disagreement. In doing so, the enforcement branch may seek expert advice.

XI. APPEALS

1. The Party in respect of which a final decision has been taken may appeal to the Conference of the Parties serving as the meeting of the Parties to the Protocol against a decision of the enforcement branch relating to Article 3, paragraph 1, of the Protocol if that Party believes it has been denied due process.

2. The appeal shall be lodged with the secretariat within 45 days after the Party has been informed of the decision of the enforcement branch. The Conference of the Parties serving as the meeting of the Parties to the Protocol shall consider the appeal at its first session after the lodging of the appeal.

3. The Conference of the Parties serving as the meeting of the Parties to the Protocol may agree by a three-fourths majority vote of the Parties present and voting at the meeting to override the decision of the enforcement branch, in which event the Conference of the Parties serving as the meeting of the Parties to the Protocol shall refer the matter of the appeal back to the enforcement branch.

4. The decision of the enforcement branch shall stand pending the decision on appeal. It shall become definitive if, after 45 days, no appeal has been made against it.

XII. RELATIONSHIP WITH THE CONFERENCE OF THE PARTIES SERVING AS THE MEETING OF THE PARTIES TO THE PROTOCOL

The Conference of the Parties serving as the meeting of the Parties to the Protocol shall:

(a) In considering the reports of the expert review teams in accordance with Article 8, paragraphs 5 and 6 of the Protocol, identify any general problems that should be addressed in the general policy guidance referred to in subparagraph (c) below;

(b) Consider the reports of the plenary on the progress of its work;

(c) Provide general policy guidance, including on any issues regarding implementation that may have implications for the work of the subsidiary bodies under the Protocol;

(d) Adopt decisions on proposals on administrative and budgetary matters; and

(e) Consider and decide appeals in accordance with section XI.

XIII. ADDITIONAL PERIOD FOR FULFILLING COMMITMENTS

For the purpose of fulfilling commitments under Article 3, paragraph 1, of the Protocol, a Party may, until the hundredth day after the date set by the Conference of the Parties serving as the meeting of the Parties to the Protocol for the completion of the expert review process under Article 8 of the Protocol for the last year of the commitment period, continue to acquire, and other Parties may transfer to such Party, emission reduction units, certified emission reductions,

assigned amount units and removal units under Articles 6, 12 and 17 of the Protocol, from the preceding commitment period, provided the eligibility of any such Party has not been suspended in accordance with section XV, paragraph 4.

XIV. CONSEQUENCES APPLIED BY THE FACILITATIVE BRANCH

The facilitative branch, taking into account the principle of common but differentiated responsibilities and respective capabilities, shall decide on the application of one or more of the following consequences:

(a) Provision of advice and facilitation of assistance to individual Parties regarding the implementation of the Protocol;

(b) Facilitation of financial and technical assistance to any Party concerned, including technology transfer and capacity building from sources other than those established under the Convention and the Protocol for the developing countries;

(c) Facilitation of financial and technical assistance, including technology transfer and capacity building, taking into account Article 4, paragraphs 3, 4 and 5, of the Convention; and

(d) Formulation of recommendations to the Party concerned, taking into account Article 4, paragraph 7, of the Convention.

XV. CONSEQUENCES APPLIED BY THE ENFORCEMENT BRANCH

1. Where the enforcement branch has determined that a Party is not in compliance with Article 5, paragraph 1 or paragraph 2, or Article 7, paragraph 1 or paragraph 4, of the Protocol, it shall apply the following consequences, taking into account the cause, type, degree and frequency of the non-compliance of that Party:

(a) Declaration of non-compliance; and

(b) Development of a plan in accordance with paragraphs 2 and 3 below.

2. The Party not in compliance under paragraph 1 above, shall, within three months after the determination of non-compliance, or such longer period that the enforcement branch considers appropriate, submit to the enforcement branch for review and assessment a plan that includes:

(a) An analysis of the causes of non-compliance of the Party;

(b) Measures that the Party intends to implement in order to remedy the non-compliance; and

(c) A timetable for implementing such measures within a time frame not exceeding twelve months which enables the assessment of progress in the implementation.

3. The Party not in compliance under paragraph 1 above shall submit to the enforcement branch progress reports on the implementation of the plan on a regular basis.

4. Where the enforcement branch has determined that a Party included in Annex I does not meet one or more of the eligibility requirements under Articles 6, 12 and 17 of the Protocol, it shall suspend the eligibility of that Party in accordance with relevant provisions under those articles. At the request of the Party concerned, eligibility may be reinstated in accordance with the procedure in section X, paragraph 2.

5. Where the enforcement branch has determined that the emissions of a Party have exceeded its assigned amount, calculated pursuant to its quantified emission limitation or reduction commitment inscribed in Annex B to the Protocol and in accordance with the provisions of Article 3 of the Protocol as well as the modalities for the accounting of assigned amounts under Article 7, paragraph 4, of the Protocol, taking into account emission reduction units, certified emission reductions, assigned amount units and removal units the Party has acquired in accordance with section XIII, it shall declare that that Party is not in compliance with its commitments under Article 3, paragraph 1, of the Protocol, and shall apply the following consequences:

(a) Deduction from the Party's assigned amount for the second commitment period of a number of tonnes equal to 1.3 times the amount in tonnes of excess emissions;

(b) Development of a compliance action plan in accordance with paragraphs 6 and 7 below; and

(c) Suspension of the eligibility to make transfers under Article 17 of the Protocol until the Party is reinstated in accordance with section X, paragraph 3 or paragraph 4.

6. The Party not in compliance under paragraph 5 above shall, within three months after the determination of non-compliance or, where the circumstances of an individual case so warrant, such longer period that the enforcement branch considers appropriate, submit to the enforcement branch for review and assessment a compliance action plan that includes:

(a) An analysis of the causes of the non-compliance of the Party;

(b) Action that the Party intends to implement in order to meet its quantified emission limitation or reduction commitment in the subsequent commitment period, giving priority to domestic policies and measures; and

(c) A timetable for implementing such action, which enables the assessment of annual progress in the implementation, within a time frame that does not exceed three years or up to the end of the subsequent commitment period, whichever occurs sooner. At the request of the Party, the enforcement branch may, where the circumstances of an individual case so warrant, extend the time for implementing such action for a period which shall not exceed the maximum period of three years mentioned above.

7. The Party not in compliance under paragraph 5 above shall submit to the enforcement branch a progress report on the implementation of the compliance action plan on an annual basis.

8. For subsequent commitment periods, the rate referred to in paragraph 5 (a) above shall be determined by an amendment.

XVI. RELATIONSHIP WITH ARTICLES 16 AND 19 OF THE PROTOCOL

The procedures and mechanisms relating to compliance shall operate without prejudice to Articles 16 and 19 of the Protocol.

XVII. SECRETARIAT

The secretariat referred to in Article 14 of the Protocol shall serve as the secretariat of the Committee.

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